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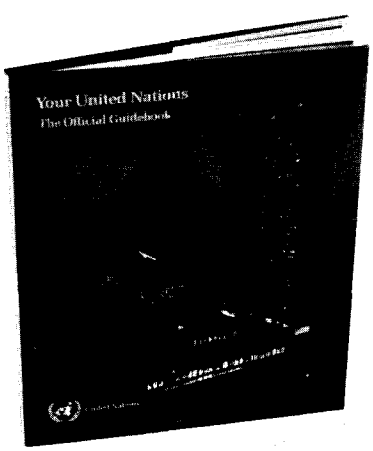

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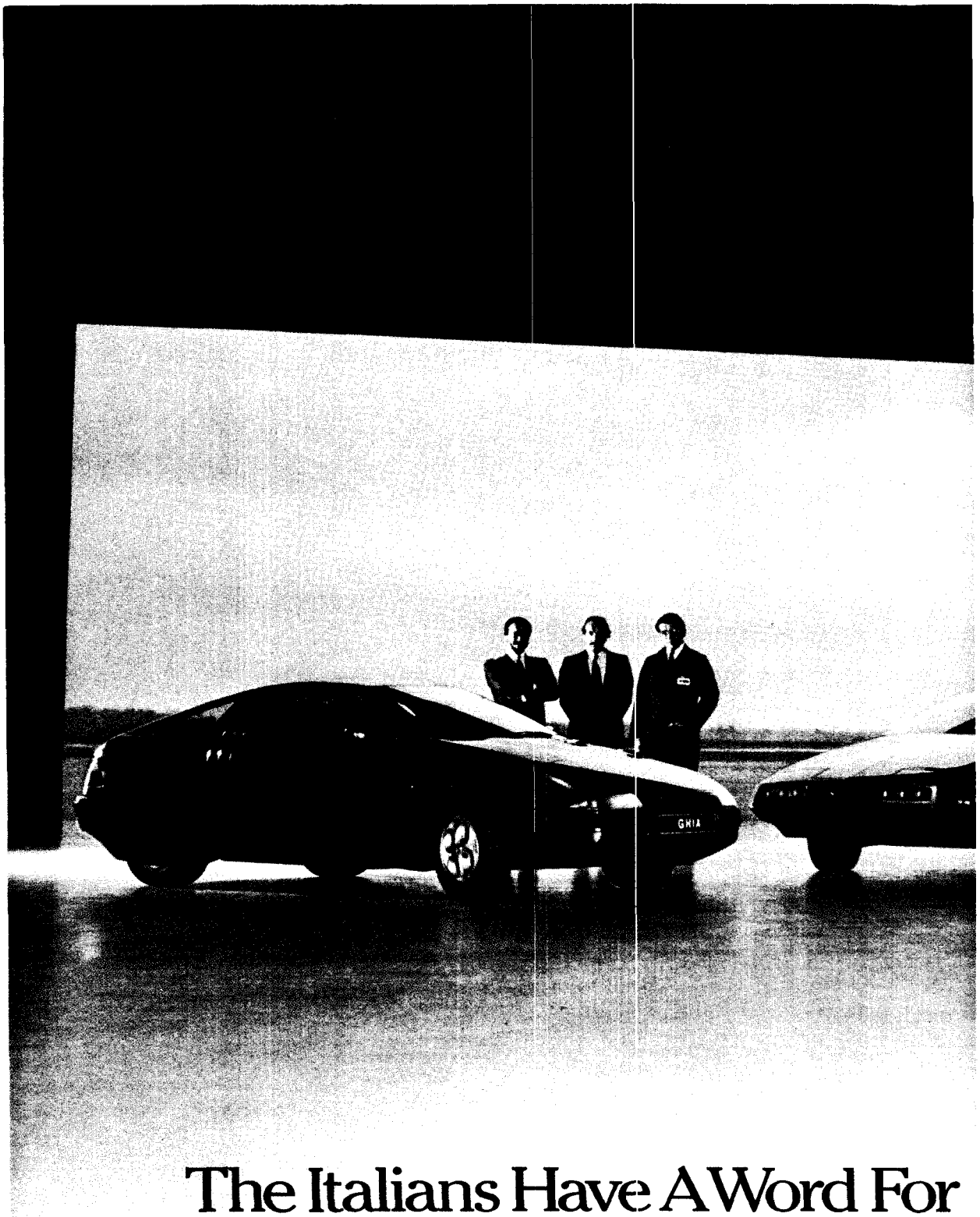

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EDITOR'S NOTE

This issue contains three of the article pairings that seem to have become a common feature of our offerings in recent years. We do not often "plan it that way," but we hope that while the individual pieces stand firmly on their own feet they also gain from the proximity of related or divergent views on cognate subjects.

Thus, one of the points in Albert Bressand's sprightly overview of the "worldeconomy" is that the United States is moving toward at least a "*foreign* industrial policy"—and Robert Reich spells out just such an approach, very much in the American idiom. On Iran, Elaine Sciolino and Shahram Chubin are both complementary and contrasting, especially in their assessments of the potential for Soviet gains in what remains the most important country in Southwest Asia.

"Yellow rain" and the positions now being taken by American churches on nuclear deterrence may strike some as an odder couple. Both raise profound moral issues in the area of arms control, and both are now very much in the news. We doubt that readers will find fuller or more authoritative treatments elsewhere, in article compass.

Finally, Hedley Bull on what Europe can actually do to be more on its own, and Donald Zagoria on his specialty of the Sino-Soviet relationship seem to us both fresh and full of insights. And Robert Johnson's reconsideration of the recurrent theme of "periods of peril" in American views of the Soviet Union suggests once again that history can repeat itself and that perspective is terribly important.

That the articles run somewhat longer than our norm reflects the nature of their subjects. But we are concerned about this trend and welcome reader comments.

The articles in FOREIGN AFFAIRS *do not represent any consensus of beliefs. We do not expect that readers of the review will sympathize with all the sentiments they find there, for some of our writers will flatly disagree with others; but we hold that while keeping clear of mere vagaries* FOREIGN AFFAIRS *can do more to inform American public opinion by a broad hospitality to divergent ideas than it can by identifying itself with one school. It does not accept responsibility for the views expressed in any article, signed or unsigned, which appears in its pages. What it does accept is the responsibility for giving them a chance to appear there.* The Editors.

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Albert Bressand

MASTERING THE "WORLDECONOMY"

Does a global economy still exist? If one were to base one's judgment solely on the recent meetings of the world's most powerful decision-makers—whether at Geneva, Versailles or Cancún—the answer might well be "no." Conflicting perceptions, diverging priorities, and lack of any sense of direction suggest, indeed, that the concept of world interdependence has been lost in a policy and intellectual vacuum. Seldom have so many common interests run into so many common problems to produce so little common action.

Let us hope that the period extending from the July 1981 Ottawa summit to the Versailles summit of June 1982 and to the Geneva GATT ministerial meeting in November 1982 will be seen in retrospect as the nadir of international economic cooperation. The story of the 1960s had been that of a prosperous blossoming of the trees planted at Bretton Woods. With a few noticeable exceptions, the story of the 1970s and early 1980s was one of missed opportunities and growing intellectual disarray. We failed to plant the seeds of organization and reform that the emergence of a truly global economic system was beginning to call for.

It simply has not sunk in how rapidly the world has changed, not only during the fast-growth period of the 1960s but also during the lower-growth decade of the 1970s. We confuse stagnant growth with "no change" scenarios, when in fact the level of interdependence between countries may never have increased faster and the underlying structure of power changed more deeply than in the latter period.

Thus, we are still striving to overcome an international economic crisis through national economic policies. Models of closed national economies still govern much of our thinking, and we wonder with incredulity at their failure—be it on the Keynesian or on the monetarist side. Modest coordination proposals aimed at promoting a much needed world recovery still arouse controversy and skepticism—when in fact national policymakers have obviously lost control over their much cherished spheres of economic autonomy.

Albert Bressand is Deputy Director of the Institut Français des Relations Internationales (IFRI) and director of their annual *RAMSES* report, *The State of the World Economy*.

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The time has come to realize that the international economy can no longer be defined as, and limited to, the intersection of national economies. Rather, it is now the national economies which must be looked upon as the extension of a global and integrated system with a logic of its own. To make the point clear, let me call the global system the "worldeconomy."

Once we accept this notion of a worldeconomy which is qualitatively different from simple national interactions, much of what is said and done today appears remarkably narrow and limited in scope. National decision-makers are revealed as sailors on an open sea, taking the utmost care to adhere to the course of their choosing when in fact the currents, winds and swirls are often carrying them in the opposite direction.

Acknowledging the existence and influence of a worldeconomy implies much more than castigating economic nationalism. Indeed, a major part of today's problem is to understand how the "free trade" and "free market forces" we think of as the opposite of economic nationalism are actually operating. As I try to make clear in the following pages, the "free trade" approach still widely identified with international-mindedness is also an inheritance from days of lesser complexity and interdependence. A good rule for trade relations considered in isolation, it still has to take into account the complex relationships which now make for unexpected feedbacks between trade, money, finance and the changing industrial standing of countries.

The experience of a global economic system in which the free market approach prevails, albeit imperfectly, not only for trade but also for the monetary system and financial flows, is much more recent than we often realize. We have in fact been living in such a system for only half a dozen years. And yet, it is striking to see how often we have already had to revise our assumptions of what free trade *cum* floating exchange rates *cum* free capital flows would look like.

The 1976 Jamaica agreements on exchange rates, for example, did little but formally bury the Bretton Woods monetary system. The absence of a new set of rules to replace the old ones was assumed to clear the way for a self-stabilizing monetary and financial system. These hopes have now been proven wrong, beyond any reasonable doubt, by repeated and prolonged incoherent exchange rate situations (as well as by the poisoned fruits of the flowers of recycling). That not all free floaters are ready, as yet, to open their eyes only illustrates again the well-known power of cognitive inertia.

The trade machine took longer to grind to a standstill. Buoyant

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markets and the early launching of the Tokyo Round negotiations preserved the momentum well into the late 1970s. But theory and new realities were moving further and further apart, and by the GATT meeting in Geneva, calls for more liberalization as a buffer to exploding restrictions—or "freeze" and "standstill" proposals in the face of a tide of protection—suddenly appeared as a well-meaning, well-tried but narrow and obsolete strategy. Strategic mistakes were compounded by clumsy tactics, as the American delegation called for initiatives—in services and technology—without specific proposals. The only tour de force achieved was that American attacks did succeed in getting even the British to speak in defense of the European Economic Community (EEC) common agricultural policy. In all other respects, Geneva was the Waterloo of the GATT—unlike 1815, for some peculiar reason, the French thought this was good news.

Lack of collective control over events, now threatening in finance, money and trade, has been with us in energy for ten years. After two oil shocks and two episodes of taking comfort in OPEC's change of fortune, we are still projecting the future in the light of the last three months in the market. The present extension of the pure market approach to oil must be questioned when one remembers that trade in oil (to the tune of $450 billion) is 20 times larger than in any other commodity and has profound impact on trade and financial flow patterns. It is hardly surprising, therefore, that the present drops in price are being greeted with some of the same apprehension as upward oil shocks. The markets are not and cannot be perfect.

Strong fluctuations of a key parameter—whether upward or downward—are a threat to the survival of the system. They exact tremendous adjustment costs. In particular, much of the recent steady decline of capacity utilization has reflected accelerated obsolescence of industrial equipment resulting from the major relative price changes of the 1970s, above all in energy and energy-dominated factors of production. In the mid-1980s, we may see the reverse—premature obsolescence of the major investments that were supposed to "adjust" to this situation. Either way, we experience an unprecedented wastage of scarce resources.

Failure to acknowledge the existence of this type of threat illustrates a gap in our intellectual apparatus, already visible, in a more complex setting, with respect to the wild swings of the major currencies. Confusing perfect or quasi-perfect market models with the reality of world economic competition, the present American economic decision-makers look at a 30-percent change in the exter-

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nal value of the world's central currency in the same casual manner they would treat a weather report. Warner stock can plummet when videogames fare badly, cocoa can lose half its value when demand for chocolate softens, so why could not the price of the dollar, the price of oil, the price of money or the cost of servicing international debt undergo 20- to 50-percent changes if "market forces" warrant? Such was the sophisticated view of the world on which the most powerful nation tried to build its non-policy.

As for those who oppose this less and less benign neglect, they have still to come up with something better than the proposal to put the worldeconomy in H.G. Wells' time machine—to bring it back to the good old Bretton Woods days, if not to the gold-exchange standard.

The absence of an international analytical framework for today that could capture the difference between the role of exchange rates and that of Chicago pork bellies futures has left the door wide open for each country to follow the downhill road of economic nationalism.

Politicians were on the front line, but economists also deserve their fair share of blame for the present state of policy disarray. Rather than intermediary investigation tools, economic models have become ends in themselves. Nobel prize winners spend their lectures teaching second-class mathematics. A modicum of calculus gives the right to look elsewhere when the world gets untidy. Like would-be bodhisattvas, our great thinkers have devised various methods of cutting the link between the nirvana of pure thought and the world of pains, emotions and problems. It takes the eyes and health of a Wassily Leontief to shout—but who listens?—that the king is naked, and the model dumb.

To no small extent, the difficulties we are presently going through and the vulnerabilities we have developed reflect a crisis of ignorance. We called for a worldeconomy. Now we have it. The time has come to learn how to make productive use of it, lest we become the victims of our own creation. Our first duty is to acknowledge how little we know. Our second is to close the widening gap between growing interdependence and declining collective capacity to deal with the perils it brings with it.

II

Whereas only three years ago energy seemed to have become, far into the future, the weak point of the world economic system, financial vulnerability now appears as its Achilles' heel.

Yet, it is worth taking note of the many threads that run from

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the energy crisis of the 1970s to the financial crisis of the 1980s. It is also useful to recall that financial issues as such had already arisen intermittently: at the outset of the two bursts of petro-recycling (in 1973–74 and 1979–80) and in the Brazilian debt problem of 1980. One may also wonder at the striking inclination displayed over the last few years by the financial community for moving in a few months from doomsday scenarios to self-congratulation.

There is no need here to recall in detail the recent convulsions of the world financial system. Poland is in undeclared default. Romania and Argentina did not even gather their bankers before telexing a rescheduling. Mexico is on the brink of disaster, and may be further hurt by plummeting oil prices. Countries of lesser weight have been queueing at the door of the "Club of Paris" in the dozens instead of in the handfuls.[1] Overall, it can now be estimated that almost half of all Third World and East European debt is located in countries which have had, in one way or another, to renege on their official obligations.

There is a way to look at these figures and find some source of comfort: after all, half of what could go wrong has done so and we are still here. Furthermore, the minefield has now been largely walked through—witness the noise and smoke. Falling oil prices may add Nigeria, Venezuela and Algeria to the *Who's Who* of international default, but they would also mitigate the plight of a large number of oil-importing countries, both in the South and North. Thus, to the superficial observer, the worst is over.

True, one can agree with the optimists' school that our short-term capacity to weather well-identified crises has been quite remarkable indeed. But our capacity to move from crisis management to problem solving is far less impressive. In several cases, our short-term successes can even be shown to have been at the expense of increased long-term tensions and vulnerabilities.

On the first point, our crisis management capacity has been clearly illustrated by the rapid Western reaction to the Mexican debt crisis. One could learn, almost in the same newspaper article, that Mexican debt (widely assumed to be on the order of $40-$50 billion) had come to rest on a mountain of short-term credits and was closer to $80 billion—*and* that central bankers, meeting at the Bank for International Settlements, had put together an impressive rescue package. This package included several billion dollars of immediate bilateral support, the setting up of a jumbo International Monetary Fund loan, and a three-month moratorium on short-term

[1] The Club of Paris brings together the treasury officials of the lending countries, together with those of any debtor country needing to adjust its official obligations.

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debt involving no less than 1,400 different banks. Not only did every element of the package quickly materialize, but the Managing Director of the IMF, Jacques de Larosière, was even able to arm-twist all banks involved into further increasing their exposure by seven percent. The "crash of 1982" will never make it into history textbooks, and the key actors in that story deserve our admiration.

The most reassuring thing we learned was that the half-dozen or so top officials who should consult regularly, actually do so whatever their ideological pronouncements. Averting the crisis implied, for example, that Paul Volcker print some money, and he rightly did so. The worldeconomy was not sacrificed—at least not in a single stroke—to some ill-defined monetary aggregate.

In the medium and long term, however, reasons for self-congratulation are less obvious. True, some strengthening of the safety nets is taking place. The accelerated 47.5-percent increase in IMF quotas and the extension of the General Agreements to Borrow must be applauded and are probably sufficient. But present policies are not conducive, to say the least, to the elimination of the "country risks" hanging over international finance. Most problems are simply postponed. Worse, as real interest rates remain at usurious levels, the "adjustment policies" that are the counterpart of the financial first-aid package are becoming a powerful deflationary force: between the two of them, Mexico and Brazil are committed to reducing their annual imports by a dozen billion dollars. As for the wider "system risks" that stem from the operation of the system itself—such as the danger of fragmentation of the interbank market—they are hardly, if at all, on the agenda.[2]

In the next few years, one can think in terms of two broad scenarios, depending on what relationship will prevail between the "real" economic sphere and the financial one. In the first, the optimistic one, the real economy will be able to grow faster than the size of the financial "deadweight" with which it is now burdened. If that were to happen, specific country or corporate situations could still be sources of difficulty but, on the whole, the debt overhang would gradually dissolve itself. Nothing more drastic than heavy rescheduling might be needed.

The second broad scenario, however, looks more likely, at least in the absence of concerted recovery policies of the type described below—that policies of financial "adjustment" would converge

[2] For a detailed analysis of "system risks" and the broader issues of financial and economic security, see the annual report of IFRI (Institut Français des Relations Internationales), *RAMSES 1982: The State of the World Economy*, Cambridge: Ballinger, 1982; and London: Macmillan, 1982 (hereafter cited as *The State of the World Economy, 1982*).

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toward deflation on a global scale and would increase rather than reduce the fundamental economic, social and political vulnerabilities. At some point, the weight of accumulated debt would be such that repudiation could not be avoided, and might even be the only way out of an implosion trap. In the best cases, it would be organized, for example, through the purchase by some international institution, one hopes at a discount, of doubtful debt. It would be the bankers' pot of the century, to be divided out on principles yet unborn. In the worst cases, of course, ayatollahs of one type or another would deprive the banking community of the bitter pleasure of masterminding the dividing up of such a pot.

The first scenario is not totally beyond reach. Whereas the successful liquidation of debts is usually associated with high inflation, this need not necessarily be the case. Success depends on our capacity to promote, simultaneously, higher economic growth rates and lower real interest rates so that the real economy again starts moving faster than the debt burden. The present situation—no growth and excessively high real interest rates—is such that substantial room for maneuver does exist on both sides of the equation.

The role of interest rates in shaping our medium-term economic environment is crucial: their decline would both slow down the growth of existing debt and facilitate a stronger economic recovery. And because of their leading role in the international interest rate structure, American interest rates are really what matter. Hence, like it or not, U.S. monetary—and to some extent budgetary—policies do not belong simply to America. If we are to preserve an integrated worldeconomy, their critical impact on the system has to be both recognized and acted on. Within a framework still to be spelled out, they have to become a matter for international discussion—negotiations would be too strong a word; "consensus building" would probably better describe the type of process to foster.

One can of course reject this view, provided that one is also ready to do away with the central role assigned to the dollar in the international monetary system. Indeed, the time for greater consistency has come. Either the United States wants to preserve the role of the dollar and the special role and privileges associated with it—and must then manage its currency as the *international* currency, which means in close cooperation with others, notably Japanese and Europeans. Or the United States gives priority to preserving the autonomy of its domestic economic policy—notably monetary—and must then work with others to greatly reduce the impact of that policy on the rest of the world.

A "leader" who is *neither* all-powerful *nor* international-minded

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cannot hope to retain the type of legitimacy which the pax americana had entailed. Without political legitimacy, the worldeconomy cannot operate. Policies built on the assumption that the dollar is both the central world currency and a commodity of the most trivial kind are leading us to a world of irresponsibility, conflict and, eventually, fragmentation.

III

The risks associated with the present state of the financial and monetary system have their equivalent in the situation of the trade system. There, too, major reassessments are in order.

To put it in a nutshell, the age of free trade *as an organizing principle* may well be over. By "organizing principle," I mean that trade liberalization such as we have experienced in the 1960s and 1970s will not offer a solution to a majority of trade issues likely to be encountered in the 1980s. This does not imply that no free trade will continue or that free trade, from a normative point of view, is not desirable. It is not a matter of prescription but of diagnosis.

It must be remembered first that the movement toward freer and freer trade in the postwar period was brought about in large part through the determined efforts of the United States. This very consistent effort was able to be pursued and to succeed because of two fundamental features of the distribution of economic power in those days. First, the great relative strength of the United States allowed it to make its views prevail on most issues of central concern. Second, the United States had an overwhelming interest in free trade: not only was America the most efficient economy, but, in a dynamic market-power perspective, American firms were also at the top of most of the "product cycles" around which the international division of labor structured itself.

Both features have now been blurred to a considerable extent. In many cases the United States is only able to exercise a veto power. Even more important, a cost-benefit analysis of trade liberalization from the point of view of U.S. manufacturers, although still positive on average, leads to much more nuanced and balanced assessments. One important short-term reason is the overvaluation of the dollar, but a deeper reason is that Japan and Europe have closed the gap with America in a large number of sectors. Japan in particular is now on top of a sizeable number of product cycles, if not yet at the research and development stage, at least at the mass marketing one. What is good for the global worldeconomy is no longer necessarily good for America.

Americans have exhibited a quite remarkable capacity to with-

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stand the first negative impacts of this fundamental realignment in the industrial hierarchies. The U.S. color-TV industry has been allowed almost to disappear, a full quarter of the American car market has been left to the Japanese, U.S. computer makers, concerned with the reliability of their chip supplies, have been the advocates of Japanese advanced-memory imports, and so on.

Yet, in sector after sector, the impact of competition is reaching the threshold above which social and political factors come into play, whatever the beauties of the economic ideal. Although overall support for free trade is likely to remain a dominant feature of the U.S. position, this support will be less and less wholehearted. Policy schizophrenia will remain on the rise. Instruments initially put in place in the name of fair competition, such as the steel "trigger price" mechanism, will lend themselves to an increasingly protectionist use. The cold-blooded negotiation of a market-sharing agreement with European steelmakers is a good example of this trend. American knights will still lead the battle for free and fair trade, but many illusions will be shattered in an increasingly dubious battle.

At the same time, the accession of Japan to the role not only of major exporter but, more important, of industrial pacesetter will accelerate this fundamental change in the nature of trade interaction. Technologies developed in Japan will be, in most cases, more difficult for other Western nations to get access to than technologies developed in the United States. Access to the new testing grounds and pacesetting markets for a broad range of advanced products will also be far more costly and difficult when these markets happen to be in Japan, as will now more often be the case, rather than in the United States or in Germany.

Rather than the fairly manageable pattern of two-way trade within a given sector which has been at the center of transatlantic and, even more, intra-European relations, Japan and the newly industrialized countries will present the challenge of inter-sectoral trade shifts. Following the free trade recipe would not mean therefore trading Renault cars for Mercedes cars: whole lines of products would have to be abandoned. Regional and sectoral impacts will be much more visible. Furthermore, products or sectors selected to be at the center of Japan's industrial strategy are usually those for which the most dynamic world demand is anticipated. More and more often they are also of strategic importance in terms of national security. The policy of blessing the hidden hand for what it is taking away will therefore look less attractive, notably in election years.

Of course, numerous Japanese trade barriers are likely to be

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lifted; yet, in the light of the new division of labor between Japan and the United States, such incremental progress—if and when it takes place—will be far from compensating for the more fundamental shift in the structure of competition and economic power.

Contrary to a very common accusation, the Japanese strategy is *not* one of overall protectionism. On the contrary, few countries have been able, like Japan, to accept the need of moving out of sectors where lower-cost competitors were ready to take its place. In this sense—and with exceptions like leather and, of course, agriculture—Japan is quite a liberal country. But at any given time there are a select number of high-priority new industries in which Japan is getting ready to move into the top league. Automobiles, and later semiconductors, have been among the most prominent examples during the 1970s. Industrial robots are a good example today. In those industries, a remarkable mixture of fierce competition at home and uninhibited protection from outside allows the infant industry to grow to the level of competitiveness from which a major export drive can be launched. After a few years, opening up its domestic market becomes perfectly feasible and Japan is also ready to discuss "self-limitation" and investment abroad: new product lines are getting ready, at a higher level of technology sophistication, to replace those in the headlines.

Hence all the talk about bilateral deficits and Japanese protectionism is highly misleading. The problem with Japan is not really of a trade nature. It is only addressed in trade terms because this is the analytical framework Anglo-Saxon economists are accustomed to. But in reality the Japanese challenge is of an "industrial" nature. In fact, it is amusing to see the contrast between the deeply felt Japanese "threat" and the fairly clean bill of health that recent macroeconomic analysis, in standard *trade* language, gives Japan.[3] The real issues are not those which the present set of international organizations and rules of the game—GATT in the first place—have been created to deal with.

Hence a new type of interaction which is developing outside of the existing framework and which can be detected, for example, in the important discussions presently taking place, many of them behind the scenes, on securing American access to Japanese technology. As Americans become increasingly aware of the deeper threat to their industrial leadership, their attempt to maintain an "open world" environment for their firms will not lend itself to the

[3] See, for example, C. Fred Bergsten and William Cline, eds., *Trade Policy in the 1980s*, Washington: Institute for International Economics, 1982.

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"laissez-faire, laissez-passer" attitude with which free trade has come to be identified. Industrial and technology issues will have to be addressed in an increasingly explicit fashion.

Americans are, of course, perfectly equipped and used to dealing with international industrial issues at the level of transnational corporations. But they are much less at ease in discussing such issues at the higher level of integration that the nature of the Japanese system and emerging degree of Japanese leadership now call for. A difficult choice will have to be made between two types of answers—or at least their relative emphasis.

The traditional type of answer would be an attempt to "open up" Japan and force-feed it the American way of doing business—basically "free enterprise" making the running. Precious time may be wasted in high-level talks, such as those of the fall of 1982 on the number and location of cigarette-vending machines to which American brands have access. More profoundly, America risks embarking on an ill-advised attempt to revive the MacArthur era. Japanese culture, history and institutional organization, and, in particular, the way in which Japanese want *their* industry to relate to *their* government, deserve just as much respect as the American economic way of life.

The alternative type of answer, just beginning to emerge, would be that of learning from Japan, as Ezra Vogel and others urge, and of equipping the United States with comparable policy instruments.[4] Of course, there are limits to this approach too. Strong government is not among America's natural gifts, and if an American Ministry of International Trade and Industry were ever created, it would probably come under the same strains as the ill-fated Department of Energy, the Great Society programs and other recent American attempts at better economic government.

Yet there is certainly a middle way between trying to transform Japan into a little America or America into a big Japan. This way is in fact being explored already. It may well be that the American system will always prevent a full fledged "industrial policy" from taking shape at the federal level. But, without the word ever having to be pronounced, one is probably witnessing the emergence of an American *foreign* industrial policy. It would be a great mistake to look, for example, at the recent wave of so-called "voluntary self-limitation" agreements in the narrow terms of "barriers of trade." They are much more than that (otherwise a genuinely free trade Reagan Administration would probably have been able to keep

[4] Ezra Vogel, *Japan as Number One*, Cambridge: Harvard University Press, 1979.

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them in check). What we are now seeing are in fact the first elements of an "industrial modus vivendi" between "countries with different socio-economic systems," to use an East-West phrase.

As a matter of practical urgency, this modus vivendi has initially had to take the form of trade agreements. In the future, the trade component may be reduced, if it is supplemented by something else. The recent GM-Toyota 12-year agreement, the discussions on American access to Japanese technology with security implications, and Japanese investments in the United States (some of which are just as "voluntary" as the export restraints) are examples of the new ways in which global economic relations can be regulated. The trade "regime" will not exist separated from an integrated investment/technology/trade complex. We may even be able to return to unrestricted trade, but that will be against a background of managed industrial relations, and it would be misleading to call it "free trade" in the naïve sense of the word.

To those who would refuse to see these emerging patterns, the study of European-Japanese relations may provide additional clues. In February 1983, an agreement between the European Economic Community and Japan was announced—and hailed, with excessive European self-congratulation, as a major turning point. This agreement included limitations on sales of video tape recorders, continued self-limitation of automobile exports, restrictions on sales of larger television tubes and "moderation" of exports of hi-fi equipment, light commercial vehicles, fork-lift trucks, motorcycles and quartz watches.

The video tape recorder component of the deal is particularly interesting, as its trade justifications are far more limited than the importance attached to it would suggest. Indeed, not only do most European companies not produce VTRs that would need to be protected, but some of the most powerful electronic companies had positioned themselves to benefit from Japanese-produced imports, sold under their brand names, as a way to rapidly capture a share of this fast-growing market. Also, a country with a good record as a free-trader, namely the Netherlands, has been lobbying for the restriction (as well as for similar ones, although more discreetly, on such items as the audio laser disc).

What was at stake was therefore *not* trade interests, but the relative position of Japan and Europe in a few critical segments of the pacesetting electronics industry. In fact, the object of the agreement is not international trade, it is industrial policy. More precisely, Europe has tried to set aside a portion of its domestic market to be used as seed ground for an industry that it does not

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yet have. In the words of Commissioner Etienne Davignon: "If we want to face up to Japanese competition, then we have to be able to confront them with an industry."

More trade/industry regulation of this type can be expected in the future. The projects of Japan's Ministry of International Trade and Industry in such fields as civilian aircraft, industrial robots and biotechnology are well known. If the previous success stories of Japanese automobiles and electronics offer us any lesson, it is that these new projects hold potentially earthshaking consequences, either in existing industries of strategic importance (aerospace) or in industries of the future likely to have considerable spillover and restructuring impact worldwide (robots, biotechnologies). Simply reenacting the 1960s and 1970s in those fields would lead to the same scenarios: silent growth of Japanese industries behind barriers of whatever nature is called for, blossoming of those industries once they have become highly competitive, reactions of other Western countries to protect themselves by "self-limiting" the Japanese. The only difference will be that the level of bitterness and conflict can be expected to increase, both in Europe and America, where the cumulative impact of Japanese successes will build up to politically dangerous levels, and in Japan, where the feeling will intensify that the Western nations stop playing by their own rules when Japan becomes the best player.

If world economic growth remains slow, Japan will also experience growing difficulties in maintaining its strategy of permanent industrial redeployment: the "old" sectors will close up faster than new ones can develop. If this development takes place against the background of growing tensions in the security field, the end result could be, in a matter of 10 to 15 years, a fundamental change in the way Japan relates to the United States and to the OECD countries. Needless to say, such an evolution would be a major blow to the Western Alliance structure.

Nations, since they came into being, have always been concerned with their positions in international hierarchies of all types. But what we have failed to see until now is that the great process of "catching up" that has taken place since the 1950s has brought about a qualitative change in the impact of national strategies. Whereas French or Japanese industrial policies of the 1960s had only a quantitative impact (in terms of narrowing the gap with the dominant American economy), the same type of policies, coming from near equals, threatens to change the structure of industrial hierarchies in numerous sectors. More than market shares are now at stake: witness the growing concerns in the United States over

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"Japan as number one" or the "East Asia edge," or, for that matter, over the successful challenge of the European Airbus to Boeing.

By the same token, American policies that would have been seen, ten years ago, simply as one feature of the domestic technology-development process will increasingly come to be seen—both by foreigners and by Americans themselves—as deliberate strategies to preserve "U.S. leadership." American economic decision-makers will be held accountable for those policies both at home and abroad. Whether new technologies are developed by private corporations or within the Defense establishment will gradually appear as only a difference of method and internal organization, and not one of nature when compared to European or Japanese government-centered policies. The new patterns of cooperation between consortia of high-tech firms and universities, as well as the increasingly articulate calls that can be heard in America for an industrial policy, illustrate the rethinking taking place. Whether the policies advocated get translated into explicit policies or not, the perception of the "global stakes" associated with technology issues is likely to become every day more acute.[5]

Redistribution of economic power and the new strategic implications of industrial competition will therefore be a major obstacle to the extension of free trade regimes in many of the new industries. On the whole, our trade environment will be less transparent and more conflictual. Trade interests will be more complex and will not lend themselves to the traditional forms of regulation developed in the golden age of trade liberalization. The capacity of the hidden hand to bring about not only efficiency at the world level but also harmony and shared interests among nations will continue its decline.

IV

National security and political considerations are also playing an increasing role in shaping the trade scene.

In the recent past, one country has gone out of its way to make more explicit the political and national security constraints that can limit free trade in both agriculture and high technology. The paradox is that this country is the one that also happens to be the strongest advocate of free trade in those fields, namely the United

[5] See, for example, James Bobkin, Dan Dimancescu and Ray Shasta, *Global Stakes: The Future of High Technology in America*, Cambridge: Ballinger, 1982. For an American view of the Japanese and European challenge, see John Zysman and Stephen S. Cohen, *The Mercantilist Challenge to the Liberal International Trade Order*, a report prepared for the use of the Joint Economic Committee, 97th Cong., 2nd sess., Dec. 29, 1982, Washington: GPO, 1982.

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States. While the right hand was busy pamphleteering against politicization of trade, the left hand was toying, with increasing pleasure and incompetence, with "economic weapons."

In the field of East-West trade, the problem was less the principle of trade restraint in itself than the rather remarkable degree of incoherence, inconsistence and indifference to European views that presided over its actual implementation. It is often forgotten, for example, that the Carter Administration, until the invasion of Afghanistan, had been castigating countries like France for their obsolete "cold war" perception, notably on African matters. In those days, not so long ago, the message from Washington was that Cuba had a stabilizing role to play in Angola—overnight, however, the same Administration "learned more about the Soviets" than Europeans could ever have taught them. From then on, a flow of ill-prepared and often less than whole-hearted U.S. initiatives have wreaked havoc on the structure of the Western Alliance, without inflicting nearly as much damage on Soviet interests.

The grain embargo of January 1980—which left wide open the possibility for U.S. firms to export non-American grain—was lifted by the Reagan Administration in April 1981 before its impact could really begin to be felt on the Soviet Union. The lesson was not forgotten by European politicians who might have supported the American trade restraint philosophy, the more so as the United States then concentrated on controlling those elements of East-West trade in which European rather than American economic interests were at stake.[6]

It was easier to be tough at the expense of Germany than of Kansas. Even in that field, "staying the course" was a less than straightforward policy, as the Reagan Administration closed its eyes to some gas-pipeline-related contracts, only to oppose them retroactively and with little concern over European reactions.

Indeed, 1982 would deserve to be called "the year of Europe" from the Soviet point of view, as the Reagan Administration devoted so much of its resources to putting American and European interests and perceptions on a collision course.

As a result of the great Reagan pipeline paranoia of 1982, major European firms such as Creusot-Loire, which had purchased American technology and products for a century as a matter of routine suddenly lost access to American supplies of all types. Strange

[6] In 1980, West Germany accounted for 24 percent of all OECD exports of manufactured goods to the Soviet Union, France for 11 percent and the United States for 2.6 percent only. For a detailed analysis of East-West trade and "economic weapons," see *The State of the World Economy, 1982*, pp. 100–111.

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exercises, such as making an inventory of American components and licenses used in the making of the French TGV fast train, had to be undertaken on a crash basis. A national label had to be put on pieces of equipment that until then were known only by their technical characteristics. An assessment of the dependence on American technology had to be made. It was found to be great. Too great.

Other European firms were "punished" with a set of measures more narrowly focused on oil and gas. Yet the French experience with the American "switch on–switch off" concept of free trade is not isolated. The Japanese, for instance, cannot have failed to reflect, albeit in their prudent and non-vocal manner, on the political and economic price of reliance on U.S. technology in their all-important Sakhalin gas exploration undertaking. It is on such occasions that politicians build a lasting personal opinion on the virtues and drawbacks of interdependence.

The grain and pipeline dust had no sooner settled than economic weaponry was again given a field day. Of course, it was in the name of a crusade for freer trade. By subsidizing a sale of one million tons of wheat to Egypt and threatening similar moves on dairy products, the United States was, of course, teaching the Europeans the limits of EEC export-subsidy policies. Short-term victories in such battles can only accrue to dominant American agrobusiness.

Yet the story may not end up with the EEC stray sheep rushing back to the free trade fold. The foreign policy component of trade relations is again brought a little more into the light. The reliability of U.S. commitments—remember George Shultz's agricultural trade "truce" of December 10, 1982—is a little more questioned. Myopic displays of force are *not* the essence of leadership. The market-sharing that will take place in agricultural exports could have come at a lesser political cost to the Atlantic Alliance.

V

As the increased interaction between trade and technology suggests, the major challenges that the worldeconomy confronts us with are not only the sectoral ones—trade, finance, money—we are used to, but challenges of a more encompassing and systemic nature. The problems of managing *complex interactions* find us poorly prepared. The high level of specialization that now prevails in academia as well as bureaucracies too often prevents the global issues from being raised and the complex trade-offs from taking shape. The main problems for the 1980s will stem from the rapidity of interaction between finance, monetary relations and trade—

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notably in manufactures and oil. Coping with them will require some fundamental rethinking.

Let me start with an analogy: in a remarkable book called *Liberal America and the Third World*, Robert Packenham once remarked that liberal thinkers had developed policies on the assumption that "all good things go together."[7] They saw economic growth, international security, and democracy as equally desirable, and they worked therefore to achieve all these objectives at the same time. Alas, as Packenham sadly remarked, it can be the case that some good things can only be pursued at the expense of other good things. Unpleasant trade-offs have to be struck. But such trade-offs cannot be explicitly and fully addressed by policymakers honestly committed to a philosophy that holds *all* these objectives as morally imperative. Contradictions are therefore allowed to develop. They often go unnoticed, as they would call for painful rethinking. Policymakers want clear-cut principles that they can apply across the board; those who try to strike too subtle trade-offs are called "inconsistent," and lose their jobs to supply-siders.

I am convinced that a perverse effect of this kind is at work before our eyes at the level of the worldeconomy as a whole. The problem could be described as one of inappropriate interactions between the regimes now prevailing, even if imperfectly, in trade, finance, money and energy.[8] The inappropriate nature of the interaction, however, is proving difficult to acknowledge and to address because all of these regimes are built around the same set of fundamental principles (or, if you will, "regulation mode"), namely, free market principles. They are assumed to be mutually coherent. But they are not. The various "invisible hands" now at work in the worldeconomy can often be seen working against one another. Waiting for them to make the world safe for interdependence is like waiting for Penelope to finish her weaving.

After all, as we have noted, the coexistence of free market regimes in all of the three major dimensions of trade, finance and money is a very recent phenomenon. Until the mid-1970s, the

[7] Robert Packenham, *Liberal America and the Third World*, Princeton, N.J.: Princeton University Press, 1973.

[8] The concept of international "regimes" developed by Joseph Nye and Robert Keohane has proved to be a very useful tool for the analysis of specific aspects of international relations, as it brings together "the rules of the game," institutional arrangements and other elements around which international relations in that field are organized. But, in my view, when it comes to analyzing interdependence in a global perspective, it has to be supplemented with a more general concept of "regulation modes." The same "regulation mode," such as reliance on free market forces, or reliance on intergovernmental mechanisms, can be at work in a large number of international regimes. The point made here is that the "free market approach" can be highly efficient within the specific regimes (trade and finance), but inefficient as a global "regulation mode" in the present state of interdependence.

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development of free trade took place against the background of fixed exchange rates and relatively small and regulated international financial flows. The move toward the free market approach to monetary relations began in 1971 and, after the Smithsonian compromise, found its official expression in the 1976 Jamaica agreement. The move toward a massive, highly integrated and remarkably unregulated international financial system gathered steam even later: originally an unexpected byproduct of the cold war, the Euromarkets really took off as a result of the two oil shocks and of the need to recycle—as no government-regulated system would have been able to do—astronomical surpluses toward abysmal deficits. As for oil, the monopoly power of the companies was replaced at first by the monopoly power of OPEC, which has only very recently begun to give way, still incompletely, to a free-market type of regulation.

Considered in isolation, and with more reservations in the case of the monetary system, each of these developments was a "good thing." But I want to submit the working assumption that we are now stuck with three "good things" that do not go together.

This does not mean that the global free-market approach does not have, in theory, the highest conceivable efficiency *potential*. Yet, in the present state of the world and of our understanding of economics, this potential *cannot* be translated into reality. In fact, the full free-market worldeconomy that we have allowed to develop, in part inadvertently, during the 1970s could be seen as a cybernetic system—namely, one in which all variables are allowed to move and interact freely. It may be that 10 or 20 years from now, our understanding of such a cybernetic system will be such as to allow a fuller use of its efficiency potential.

But what we have seen repeatedly over the last few years is an amazing discrepancy between the sophistication of the worldeconomy and the shortsightedness and narrowness of the policies pursued within it. It is time, for instance, to draw the lessons from the whole gamut of perverse effects which the Reagan monetary policy has had on the system (from deepening recession in Europe to exacerbating the Third World debt crisis). One must also note the negative impact that repeated situations of excessive overevaluation or underevaluation of key currencies have had on balance of payments, economic activity and protectionism.[9]

In short, our present policies are, by an order of magnitude, too

[9] See, for instance, C. Fred Bergsten, "What To Do About the U.S.-Japan Economic Conflict," *Foreign Affairs*, Summer 1982.

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primitive to allow intelligent use of the complex system we have allowed to develop. Highly sophisticated "third order" interactions between money, trade and finance coexist with a laughable belief in the Laffer curve: in terms of potential for disaster, it is as though one were dealing with a nuclear power plant in Baluchistan. The time has come for our national policies to be accompanied by an "impact statement" of their effect on the worldeconomy!

VI

A bad time for the economy and especially for the financial system, the second half of 1982 and early 1983 has been, however, a good time for international rethinking.

Unemployment levels unprecedented since the 1930s were becoming every day harder to dismiss as short-term adjustment costs. In Germany, the unemployment toll rose by 50 percent to 2.5 million in 1982 alone. Similarly, the Mexican debt crisis sent bankers by the dozen to the U.S. Federal Reserve and Treasury; in retrospect, one of the noteworthy features of the Reagan period will be the gap between the blind faith in market forces exhibited by the theologians within the Administration and the more nuanced and pragmatic view that actual market participants, time and again, have had to convey to them.

Although unanimity was far from complete, one could feel growing consensus around the need for some form of "recovery" program built around the three following principles:

—a strengthening of international safety nets;

—a prudent move toward more expansionary monetary policies in the low-inflation countries;

—a rollback of protectionism.

Of course, each of the numerous "recovery plans" which have flourished in the winter of 1982–1983 has spelled out these principles in a slightly different manner and with a different sense of priorities. And the previous gospel of tight money, small government and benign neglect was still read in a number of the old faithful churches. But the new perception could be seen at work behind the more accommodating stance taken by the Fed since the summer of 1982 and behind the U-turn of the American executive branch on the need to strengthen the IMF. It could also be seen behind the adoption by the new conservative government in Germany of a budget that most Social Democrats would have felt comfortable with, budget cuts being used to finance new investment incentives.

The furthest point in this intellectual tide may have been reached

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when the Thatcherite Chancellor of the Exchequer, while raising his eyebrows at Treasury Secretary Donald Regan's "new Bretton Woods" surprise mention, joined the recovery crowd. Commenting on the earthshaking nature of Sir Geoffrey Howe's four-point recovery proposal, *The Financial Times* could remark that "perhaps the most controversial part of Sir Geoffrey's strategy was his suggestion that recovery required a modest reflation by some countries." Indeed, the surprising lesson that mother nature was teaching conservative economists in this cold 1983 winter could be summarized as the discovery that "reflation will not come from deflation alone."

VII

This process of rethinking, however, is still incipient. The widely expected American recovery of 1983 could bring it to a halt. Results would then only have materialized—if Congress approves—with respect to the strengthening of the IMF, a very noteworthy but limited achievement. Trying to protect the still-fragile interest in the management of the worldeconomy against the short-term illusions of cyclical upturns is therefore our immediate responsibility. If the Williamsburg summit this May does not achieve this limited objective, those who believe that economic nationalism is the answer will see their hand further strengthened.

As I have tried to show, the changing nature of international economic relations and of their political implications calls for more than a liquidity shot. The world economic crisis is more deep-rooted and obstinate than most of our sectoral analysis tends to assume. We have built a global economic system, yet we fail to acknowledge the global nature of the challenges now confronting us. Yes, beyond oil shocks, protectionism and defaults, there is such a thing as a crisis of the worldeconomy. Rushing from one short-term symptom to the other and waiting for the next upturn in the business cycle to cure it all—as the incipient American recovery is inviting us to do—should at least be seen for what it is: a recipe for disaster.

In my view, the task ahead of us should be organized around four complementary objectives. The first of these is more or less being taken care of, the second is widely talked about, notably in the Williamsburg perspective, but the last two are only beginning to emerge on the agenda and need to be addressed more fully and comprehensively. Let me call these the "4 Rs" program: resilience, recovery, restabilizing and rethinking.

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1. *Resilience*

First, the world economic system must be made more resilient to the variety of shocks and crises that have so much reduced its overall effectiveness since the early 1970s. Very notable progress has been made in the last few months on this "crisis management" aspect. Therefore, it need not be the central element in the measures to promote now. The financial and monetary safety nets are here; they have worked well. One can always ask for much more, for instance, the Brandt Commission calling for a full doubling of IMF quotas. But this would attract scarce political resources to a field of declining marginal economic returns. In a political perspective, even if one agrees with Henry Kissinger that there may be a risk of the debtors trying to "blackmail" the lenders,[10] preventing this calls for more than a financial deterrent. It calls for a broader collective effort to recreate what I have called elsewhere "economic security."[11]

The politics of crisis management could become more complex if strong opposition to the agreed measures develops in the U.S. Congress and American public opinion. One gets a sense indeed that the latent populism of American politics is pushing toward opposing the "bailout" of the banks in a manner not dissimilar to the opposition aroused in the past by oil companies. Bankers, however, do have a point in asking not to be "punished." Their sin of heavy recycling, if a sin, was committed at everyone else's request and applause. Yet it would be in their long-term best interest to avoid making rescheduling the most profitable game in town. Fat spreads and huge front-end fees may have been a legitimate reward for the risk taken at the time they lent to high-risk borrowers. But collecting them a posteriori, and doing so on top of real interest rates of five to eight percentage points, may be looked at later—by borrowers *and* by public opinion—as increasing their salaries with the size of their mistakes. Also, the process of gradual provisioning for risky debt now in progress should be accelerated, provided it does not come out of would-be "profits" on Mexican rescheduling. Provisioning should then find its way into the valuation of bank stocks, thus inflicting a certain but tolerable amount of "punishment."

But, barring a major controversy on the "bailout" issue, the emphasis in the effort toward greater resilience should now begin

[10] Henry Kissinger, "Save the World Economy," *Newsweek*, Jan. 24, 1983.
[11] *The State of the World Economy, 1982, op. cit., passim.*

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to move toward those aspects of economic relations that are presently *not* at the center of the crisis. Strengthening emergency and other food reserves is one such field. Yet energy is certainly the area where a policy of anticipating rather than reacting to problems is most clearly in order.

If our objective is a sustainable resumption of world growth, then we have no reason for complacency in an oil "glut" of which only one-third can be traced back to "hard" progress (substitution and price-induced conservation), the other two-thirds being traceable to the world recession and, even more worrisome, to huge oil-stockpile drawdowns. We should reaffirm and strengthen the emergency programs of the EEC and International Energy Agency. Stockpiles should be rebuilt to the high level they had reached one year ago.

2. *Recovery*

It is clear to most people involved in the present financial rescue effort that crisis management will soon reach its limits if it is not backed up by a sustained recovery of the world economy. According to Rimmer de Vries, Senior Vice President of Morgan Guaranty Trust, the absence of recovery in the West would produce a financing gap of $180 billion over three years for the 21 most indebted less-developed countries, even assuming a major adjustment on their part and a seven-percent net increase in bank lending.[12]

There is no room here for giving a detailed description of what macroeconomic measures are involved, the more so as a group of 26 economists from 14 countries has released in December 1982 a highly convincing statement that offers, to my mind, the best possible guidelines at this stage. Referring the reader to this statement issued by the Institute for International Economics in Washington,[13] I shall limit myself to endorsing their major proposals:

—a two tier-policy in the United States of reducing, through immediate monetary measures, short-term interest rates by at least two percentage points, while working to reduce budget deficits in the medium term;

—a more expansionary fiscal policy in Japan and Germany, with limited monetary accommodation to foster notably yen appre-

[12] "Global Debt: Assessment and Prescriptions." Statement by Rimmer de Vries before the Subcommittee on International Economic Policy of the Senate Foreign Relations Committee. Reproduced in *World Financial Markets*, Morgan Guaranty Trust, February 1983.

[13] *Promoting World Recovery: A Statement on Global Economic Strategy*, Washington: Institute for International Economics, 1982.

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ciation;
—a more expansionary fiscal policy and a more relaxed monetary stance in the United Kingdom;
—no immediate action in France, Italy and Canada, where inflation should remain a major concern.

The role of these seven summit countries in restarting the worldeconomy is essential, as they represent about half of world production and trade. The notion that the South could by itself act as the "engine for growth" is still very premature. Yet this does not mean that a recovery program can neglect the Third World.

First, if nothing is done, the indebted countries could very well act as the "engine for worldwide depression." Beyond financial rescue, there is therefore an urgent need to revise the conditionality that presently links financial adjustment to deflationary policies. As the point has been made repeatedly, downward adjustment policies that might work at the level of one country become mutually defeating when implemented on a global scale. To use the vocabulary of nuclear strategy, the present salvo of IMF-type adjustment policies creates "fratricide effects."

Second, no sustainable world recovery can take place against the background of a failure of the development process in the Third World. True, many development plans were overambitious and ill-conceived. But a worldeconomy no longer hospitable to rapid progress in the better endowed part of the South and receptive to the basic human needs of the least developed countries would clearly lack the political and economic legitimacy that its global scope of action calls for.

3. *Restabilizing: toward an interim stabilization agreement*

After ten years of compromising with inflation, governments have now realized that reflationary policies in a context of relentless inflation were self-defeating. This recognition is major progress, and the lesson must not be forgotten. Yet there are several other major variables that must also be brought under control if macroeconomic policies are to regain the effectiveness they once enjoyed.

Obsessed as we have been with eradicating inflation, we have failed to see that the same distortions in market signals and behavior have been produced, on a massive scale, by exchange rate fluctuations, wild swings in the relative price of energy, or unpredictable levels of real interest rates. The herculean task of freeing the worldeconomy from the multiheaded hydra that holds its growth hostage cannot stop at cutting off, again and again, only the inflation head.

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As underlined, for instance, in the last GATT annual report, one can attribute a large part of the reduction in the underlying potential growth rate of most economies to the reduced time horizon and increased riskiness under which economic agents now have to operate. Part of the excessive level of real interest rates can also be traced back to the same factors. Short-term arbitrage (I do not want to use the emotional term "speculation") and greater aversion to industrial risk-taking can be seen everywhere: in the rise of international bank loans as against equity and direct investment, in the explosion of short-term debt, in the rise of the financial conglomerate as opposed to the industrial empire. Protectionism itself is only one form of the general quest for security that increased uncertainty has brought about. Hence, by the way, one more reason for my skepticism about the narrow "return to free trade" approach: how can a nation accept the high cost of adjusting to international price signals when these signals are increasingly volatile and arbitrary?

If a "recovery" is to be sustained, and if it is to open the way to a resumption of investment, trade and growth, then the present level of uncertainty must be reduced. True, nobody can tell what is, for instance, "the right" exchange rate. But this should no longer be an excuse for complete passivity in the face of even the most prolonged and arbitrary misalignments.[14] Drawing the lessons of one decade of floating rates, which he helped bring about, Helmut Schmidt wrote recently: "the exchange rates of the major currencies must not be made into a football. . . . Central banks and governments must make it plain where exchange rate policy is heading . . . for left to themselves foreign exchange dealers will behave like a flock of sheep."[15]

What is needed, I believe is a *three-year interim stabilization agreement.* Its objective would be to announce and provide a much greater degree of predictability for a few key parameters. The most important ones would be the exchange rates as between the yen, the dollar and the European ECU and the level of real interest rates—but others, as I will suggest below, could also be covered.

The use of a broad range of instruments should enable these key parameters to be kept within a reasonable fluctuation range. For instance, cooperation between the United States, Japan and the EEC, along the lines of that which now prevails in the European

[14] For a provocative statement on the need for a broader strategy to maintain an open world economic system, see the 1982 annual report of the "Group of Thirty" (a distinguished group of representatives of the financial community), available from the Rockefeller Foundation.

[15] "Helmut Schmidt's Prescription," *The Economist*, 26 February–4 March 1983, p. 24.

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Monetary System, should enable these key actors to come back to the greater exchange rate stability that did prevail from October 1979 to January 1981. Attention would also be given to keeping real interest rates within a reasonable zone (something like zero to three percent above the inflation rate). A fixed real interest rate more in line with repayment capacities could be used, notably in the rescheduling or long-term consolidation of Third World debt.

Being limited to three years, such an interim agreement would give enough time to transform the cyclical American recovery into a more broadly based process of Western growth. Yet it would not imply that ten years of benign neglect can be corrected overnight. Also, this program should not be narrowly equated with quantitative targets. The *process* of cooperation and learning is what would really matter. The role of targets is mostly to foster a permanent process of coordinated analysis and action. They would be adjusted when changing circumstances warrant.

The interim agreement could also concern itself with the availability of long-term capital for the developing countries. The size of gross North-South financial flows—on the order of $100 billion a year—should not blind us to the fact that *net* flows toward the South are, by an order of magnitude, much smaller and may very well become negative. It will take a concerted effort by banks and governments to make sure that the process of development, which is the only hope of a lasting solution to the debt crisis, can be financed.

Attention should be given to more "automatic" ways of financing development. Without going to the unrealistic extreme of a world development "tax," a strengthening of capital flows through guarantee schemes, co-financing with multilateral institutions, and a more predictable environment for investment are urgently called for. In this respect, many of the proposals of *Common Crisis*, the just-released second Brandt Commission report, provide an interesting middle ground between market mechanisms and institutional intervention.

In particular, a doubling of the "gearing ratio" of the World Bank (i.e., the ratio between outstanding loans and capital) would make for a substantial increase of high-quality finance. This ratio is presently one-to-one, whereas it is in the range of 20- or 30-to-one for a typical commercial bank. Similarly, it is scarcely rational on the part of market economists to deny the IMF a more automatic access to financial markets. In the present state of the financial system, an extension of the intermediation role of the multilateral institutions is the most market-oriented way to maintain essential

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financial flows. The interim agreement should therefore grant the IMF, on an experimental three-year basis, the opportunity to freely enter the capital markets. The World Bank would be asked to behave more like a bank, through the provision of more "program loans" and the doubling of its gearing ratio.

As I know how emotionally unreceptive most of the Anglo-Saxon world is to this notion, I will not deal here with the issue of oil-price stabilization. Yet it is clear that we cannot rush, as we have done, back and forth from oil bonanzas to oil shocks. Let us pay greater attention, for instance, to the fact that drawing down oil stocks in early 1983 has artificially added four million barrels a day—as much as present Saudi production—to the supply. As Myer Rashish recently said, "the period of soft oil prices will prove to be one of phony peace in which, unless we take appropriate steps, we have practiced disarmament." In any approach, what is needed is to strike a careful balance between strengthening the consumers' hand (including resolute stockpiling) and finding common long-term interests between key producers and consumers. A more predictable oil price would make for better development and reduced vulnerability in both groups of countries.

4. *Rethinking*

The reason I advocate only a three-year "interim" stabilization agreement is that getting a better grasp of our brave new world-economy is a long, difficult and challenging task. It makes no sense to call for a new Bretton Woods if the Keynes-White type of conceptual preparation has not taken place. Indeed, the respite made possible by a recovery *cum* reduced uncertainty should be used to launch such a rethinking process, discreetly and with the brain power that is called for. In the meantime, the process of closer cooperation called for under point 3 would provide the learning-by-doing opportunities that have been so cruelly lacking in the past. The setting-up at Williamsburg of a small "brainstorming group" of political economists of the highest caliber, with a two-year mandate, could initiate this process.

I have indicated in the first part of this article what are, to my mind, the major intellectual challenges. They can be summarized in the need to adapt, collectively and nationally, our policies to the "cybernetic" nature of the worldeconomy.

It is simply not true that a "cybernetic" system, in which all variables are allowed to move and interact freely, is necessarily self-regulating. Let us not confuse free market forces with artificial

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intelligence: our economic workmanship has not reached that stage yet. True, the advocates of the total free market approach are right to reject certain forms of inefficient government intervention. But it is *not* true that *any* form of government intervention is by nature counterproductive. Actions are needed to prevent perverse interactions from developing—such as the ones floating rates have produced in the exchange markets or the deflationary spirals that financial "adjustment" policies in the debtor countries may generate.

The strikingly emotional nature of this debate can be traced back to profound divergences as to what should be the role of governments in the worldeconomy. Those divergences could make for increasingly divisive disputes, not only in finance and monetary relations but also in trade, where the issues of subsidies and industrial policies will probably dominate the 1980s. It is high time to move away from the present sterile doctrinal conflict, as it undermines the very fabric of relations between the great industrial democracies of Japan, the United States and Europe.

Events have clearly shown that governments are not all-powerful. In spite of national control over nearly all the banking system sector and almost half of industry, socialist-run France has discovered how dependent on the worldeconomy she remains. But government cannot be wished away either: the Reagan Administration's attempt to reduce the weight of government on the real economy has backfired in a tremendous increase of the weight of government on the financial markets: according to Morgan Guaranty Trust, overall public sector needs may rocket from 30 percent of national savings in 1982 to more than 60 percent in 1984. Even more ironic, the Reagan Administration, in order to reduce its self-inflicted budgetary deficit problem, is gradually obliged to bring the percentage of federal taxes to gross national product back to the level that it had undertaken to reduce in 1981.

Similarly, beyond the technical measurement difficulties, the narrow-minded among the monetarists are discovering that limiting the role of government to the pursuit of monetary targets is in no way the neutral policy it was supposed to be. As the present debate on the "velocity" of money should make clear, the impact of these targets on the economy can amount to a very arbitrary intervention by the monetary authorities in the real economy.

Let us be more candid therefore: governments have a role to play. And they have to discharge it differently in the light of different cultures and traditions. Rather than "more" or "less" government as an end in itself, the issue is better government of

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the worldeconomy. A new relationship among all major actors—be they governments, banks, corporations or international organizations—has to be fostered if the system is to operate at a satisfactory level of efficiency and vulnerability.

Similarly, the new balance of economic power and the uncertainty that comes with rapid changes in industrial hierarchies have to be taken into account in the political process of managing economic interdependence. Whereas this used to imply coping with reduced American relative power, the new trends have now more to do with the rise of Japan and the increased vulnerability of Europe. In particular, without a renewed and imaginative effort at European cooperation—in industry, finance and defense notably—there will be little hope of reaching a satisfactory and stable relationship among the industrial democracies.

Sound management of the worldeconomy is presently jeopardized by much more than the often-mentioned "national interests." Our present crisis is one of values, world views and economic philosophy—before being one of policies and indicators. Getting back on the prosperity track requires not only a "conceptual breakthrough" at the policy level but also a capacity we seem to have lost for rediscovering the fundamental values we have in common, behind the diverging stereotyped expression each country has given them.

The creation of the "brainstorming group" I have mentioned could act as a catalyst to this essential rethinking process. Working in the same spirit as the Brandt Commission but with the global worldeconomy as its agenda, this group should bypass the stage of moral pronouncements that took up too much of the early Brandt Commission work and jump right into the analysis of priorities and opportunities for cooperation.

As we prepare for the Williamsburg summit this May, many economic commentators and journalists will once again make the fundamental mistake of looking at summitry in the indulgent and amused vocabulary of comedy. What is not being done at the summits is not being done elsewhere either. Their failure is the most condensed illustration of our collective failure to live up to the challenge of a world of our making. They are the telling reflection of the depth of our present disarray and divisions.

The worldeconomy offers great opportunities for common prosperity—but, left to itself, it can also be the breeding ground for uncontrollable contradictions and nationalism. Let us work together so that the story of the failure of international economic cooperation is not rewritten some day in the language of tragedy.

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Robert B. Reich

BEYOND FREE TRADE

The United States is now engaged in a divisive debate over international trade. On one side are disciples of the principle of free trade—the touchstone of American trade policy in the postwar era. Free traders argue that the interests of the United States, and of the world, continue to lie in reducing barriers, subsidies and other government interventions which distort the natural pattern of specialization and trade among countries. On the other side are those calling for policies to protect American industry from foreign competition. Protectionists argue that imports are causing massive unemployment and eroding the nation's industrial base.

The two camps have recently found common ground in the view that the United States must "get tough" with trading partners which protect or subsidize their own industries. By threatening to close American markets or subsidize American traders if other nations fail to abandon their own interventions, free traders and protectionists can both serve their concerns. More than 30 bills were introduced in the 97th Congress urging government action to enforce reciprocity by retaliating against foreign trade barriers and subsidies. Last December the Senate adopted a resolution sought by a Florida-based machine-tool manufacturer; the measure endorsed the manufacturer's request for President Reagan to deny investment tax credits to U.S. companies that purchase Japanese computerized machine tools, on the grounds that Japanese industrial policies give Japan's machine-tool manufacturers an unfair competitive advantage. The Reagan Administration is now warning the Japanese that the United States will commence formal countervailing duty proceedings unless the Japanese cease their practice of favoring certain industries with low-interest loans and special immunities from antitrust constraints.

The Administration also has asked Congress for a $2.66-billion standby fund to match export financing by foreign governments. Already the Administration is providing generous subsidies on the sale of $150-million worth of wheat flour to Egypt, in retaliation

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against state-assisted flour exports by France. Even the Council of Economic Advisors—long a bastion of free trade purism—has embraced the strategy of retaliation. In its 1983 report to Congress the Council asserted that "even though costly to the U.S. economy in the short run, [retaliation] may . . . be justified if it serves the *strategic* purpose of increasing the cost of [trade interventions] by foreign governments."[1]

It is an ideal political solution. By framing the issue as the proper American *reaction* to foreign transgressions we need not directly face the painful choice between free trade and protection. We can avoid articulating the national goals underlying our trade policy. Protection can be the sword of the free traders in their assault upon foreign trade practices while it simultaneously serves as a shield for those anxious to preserve American jobs. Everyone seems to win.

But no one wins. Import barriers that merely preserve established businesses impose heavy costs on American consumers who must now pay more for the goods they purchase. Barriers and domestic subsidies reduce producers' incentives to innovate and to invest in new products and processes by relieving the pressure of foreign competition. They reduce workers' incentives to seek retraining and to relocate for new jobs. At the same time, interventions aimed at preservation retard the development of other nations' economies; in particular, they block the less-developed nations from "inheriting" the industries for which they are becoming better suited by virtue of their cheaper labor or favored access to markets and raw materials. Finally, they tempt other nations to retaliate in kind, and risk triggering a trade war of import barriers and export subsidies spiraling devastatingly higher, as they did in the 1930s. There is nothing new about any of these arguments. They have been used for years by the free traders themselves. They are no less valid against free traders who now endorse tactical protectionism as a bargaining chip against our trading partners.

The problem is that the classic principle of free trade no longer offers any practical or politically compelling alternative to protectionism. The recent collapse of free-trade ideology into retaliatory protectionism attests to the bankruptcy of that ideal in the present international economy. The sources of this breakdown lie deeper than the current worldwide recession and an over-valued dollar, both of which obviously imperil political assent to an open trading system. The free-trade ideal has been eroding—both within the United States and among America's trading partners—for over a

[1] Economic Report of the President, February 1983, Washington: GPO, 1983, p. 61.

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decade. The erosion originates in the profound structural changes that have been reshaping the world's economy.

Since the late 1960s the economies of the United States and every other industrialized nation have been rocked by the emergence of Japan as a powerful exporter of steel, automobiles, and advanced consumer electronics products; by the emergence of South Korea, Taiwan, Hong Kong, the Philippines, Mexico, and Brazil as efficient producers of synthetic textiles, footwear, automobile components, and simpler consumer products, and the rapid movement of some of these nations into steel production and shipbuilding; by improvements in the technology of transportation, communications, and international financial and engineering services, all of which have permitted manufacturing processes to be fragmented and parcelled out across the globe to wherever specific tasks can be performed most efficiently; by the progressive saturation of the American and some West European markets with standard consumer products like automobiles and appliances, and the sudden growth of Asian and Latin American markets for these goods; and by the emergence of certain new technologies (optic fibers, semiconductors, lasers, recombinant DNA) whose commercialization—although critical to the continued competitiveness of a wide range of businesses—entails large investments and greater risks than most firms are accustomed to accepting.

These changes have put governments in industrialized nations under pressure to maintain employment in steel, autos, textiles, consumer electronics, and shipbuilding; to help upgrade plants and equipment in these and other industries; to encourage scrapping of excess capacity; to organize marketing or purchasing cartels; to provide retraining and relocation assistance for workers laid off in distressed industries; to sponsor new industries in hard-hit regions; to underwrite energy costs; to help convert capital equipment to lower-cost energy sources; to sponsor research and development; to nurture new technologies and underwrite the costs and risks of bringing them to market.

Policies inspired by new foreign competition operate either by raising the barriers to entry or by altering the cost structures of selected industries. Entry barriers have been raised through changes in antitrust laws, rules governing patents, trademarks and licensing, health and safety regulations, and government procurement restrictions, and by orderly marketing agreements and voluntary export restraints, as well as by straightforward tariffs and quotas. Costs have been reduced through government-subsidized loans, loan guarantees, tax credits, accelerated depreciation allowances, em-

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ployment and training subsidies, research grants, and favorable credit or tax treatment for purchasers. Most of these interventions have been targeted selectively—on specific industries rather than across the board—because the sharp disruptions of the last 15 years have imposed disparate burdens and created different opportunities across industries.

Reviewing the widely varying forms and effects of intervention reveals that current American trade policy harbors an inherent contradiction: *Our* government must not intervene, since intervention by assumption distorts production and saps our competitive strength. At the same time, we must not permit *other* governments to intervene, since intervention gives our industrialized rivals unfair competitive advantage. Recognizing the contradiction illuminates the reality that free-trade ideology obscures.

Some interventions, rooted in incoherent economic goals or political pressure to spare powerful minorities the pain of adjustment, impose net costs on a country. Some interventions shift adjustment costs onto other countries, benefitting the nation undertaking them but burdening the rest of the world. And some interventions are strictly positive-sum, accelerating economic progress and adding to the world's wealth. To dismiss all these interventions as lamentable "distortions" is neither economically illuminating nor politically compelling. Refusing to discriminate among the different types of interventions prevents us from rejecting the first, resisting the second, and encouraging the third.

Many interventions respond to important side effects of market decisions—the large social costs and social benefits that surge through national economies under stress. To fail to intervene—even if inaction were politically possible—would be to allow severe dislocations to occur by default. We may take issue with specific interventions, specifically those which do not accommodate changes in the global economy, but merely prop up the status quo. But to object to all interventions on the ground that barriers and subsidies are at odds with the ideal of free trade sets principle above ultimate purpose. Free trade is not an end in itself, but a means to a higher living standard for the world's people. Government interventions that make economic transitions smoother, more equitable, and more efficient can serve precisely this purpose.

What is the proper end of U.S. trade policy? The issue no longer can be weighed on the familiar scales of free trade versus protection. Our failure to craft a national strategy for responding to the structural changes occurring in the world's economy confines us to a confused and contradictory trade policy. Our trading partners do

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not know what we want because we have failed to articulate it, or even to acknowledge the choices we face. By default, we are adopting a trade policy that preserves our old industrial base, and freezes structural change and progress in the United States and around the globe.

II

The postwar American ideal of free trade assumed a steady expansion of capital-intensive, standardized production within all industrialized nations. Comparative advantage among them was perceived to depend upon differences in the relative abundance of capital and labor, which in turn depended on national differences both in citizens' willingness to defer consumption and accumulate capital, and in the historic inheritance of capital stock. Comparative advantage was assumed to change over time; even the "backward" nations would eventually progress sufficiently to support capital-intensive industries. But development would be evolutionary, and shifts would be slow, regular, and predictable. It stood to reason that the best policy for ensuring both steady expansion and steady change would be a gradual reduction in trade barriers. That way, each nation could exploit large economies of scale in the type of production in which it currently enjoyed a comparative advantage, while incremental changes in investment and capital accumulation slowly altered the terms of trade.

Neoclassical trade theory was built upon a much older intellectual foundation. Adam Smith and David Ricardo had based their potent arguments for free trade principally on geographic differences in natural endowments, implying a quite static distribution of advantages. A nation had no choice but to realistically accept the economic station its land and climate had assigned it. As machine-based industry developed and spread, later theorists refined the model to accommodate the importance of physical capital. This "factor-proportions" model turned on the observation that some peoples were better than others at making and using machines, for reasons that had little to do with natural resources. Comparative advantage became less a matter of given endowments, more a matter of chosen investments.

Yet because it grew out of an era when technologies changed gradually, and when colonialism and devastating world wars stifled or distorted international economic adjustment, neoclassical trade theory never fully acknowledged the profound difference between comparative advantage as a fact of natural endowments and comparative advantage as an ever-changing product of social organiza-

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tion and choice. Until very recently, observing that the United States was rich in capital while Korea was rich in unskilled labor seemed as comfortably solid a comparison as observing that Portugal was sunny and suited for grapes while Ireland was verdant and suited for sheep. This was the theoretical basis of the free-trade principle that informs American trade policy today.

Just as the Ricardian model had viewed world trade largely in terms of the textile industry which Britain then dominated, so was the U.S. postwar trade policy shaped by attention to America's dominant industries: steel, chemicals, automobiles, rubber, and electrical machinery. Stability and predictability, to ensure that fixed costs could be recovered, were the only principles of public policy necessary to encourage investment. Potential efficiencies in world-scale production promised to preserve American dominance in these industries.

The postwar free-trade ideal was appropriate to its time, an era of unprecedented mass consumption of standardized goods. A new, relatively homogeneous generation of consumers was exercising pent-up demands for homes, cars, and all sorts of steel and plastic gadgets. Throughout the 1950s and 1960s the American economy grew less by innovating than by expanding the scale of its basic production processes and thus reducing unit costs. Western Europe followed that lead. There were relatively few breakthroughs in new products or processes, and very little real competition. But demand seemed insatiable and prosperity reigned. Free trade both enabled the rest of the world to share in this expansion and permitted the United States to preserve its preeminence.

The ideal was codified in the General Agreement on Tariffs and Trade (GATT), signed in 1947, and articulated in more detail in the subsequent Dillon (1960–1961) and Kennedy (1963–1967) rounds of tariff negotiations. It was expressed in the principles of nondiscrimination, reduced government intervention and the formal negotiation of trade disputes. The GATT structure succeeded reasonably well because all parties (except the less-developed nations) had a stake in making the system work so they could share in American-led prosperity; and because the United States possessed sufficient economic and political power to enforce its vision. The volume of world trade increased dramatically, exceeding annual growth in world production. Between 1913 and 1948, world trade had risen two and a half percent per year on average; world production, only two percent; between 1948 and 1973, trade increased by seven percent per year, and world production by five percent.

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The principal departures from the ideal were agricultural commodities and textiles, the two areas where potential foreign competion threatened American producers from the start. U.S. representatives to GATT insisted on an exception for primary commodities. The United States already had restricted imports of dairy products, wheat, and peanuts. Sugar quotas went into effect in 1948. Later came "voluntary" agreements with Taiwan on mushrooms, with Australia and New Zealand on beef, and with Mexico on strawberries and tomatoes. Farm subsidies were similarly exempt: in 1955, when the contracting parties to GATT adopted provisions limiting the use of export subsidies, they effectively excluded primary commodities from coverage. By 1982, the United States was spending over $18 billion a year on purchasing and storing wheat, dairy products, and corn, and on providing low-interest loans to farmers; the government spent over $2 billion merely to raise milk prices (a sum that just about equalled the year's net new lending by the Export-Import Bank to promote overseas sales by American manufacturers).

Policies to preserve the textile industry followed a related logic of escalating preservationism. In 1957 Japan agreed to limit its textile exports to the United States. This was followed five years later by a multilateral agreement (the Long Term Arrangement) designed to protect North America and Europe against cotton textiles from Japan and other developing nations; it was extended in 1967 and again in 1970. In 1971 the United States initiated agreements with Hong Kong, Taiwan, and Japan, restricting their exports of wool and man-made fibers. Then in 1974 came the first Multi-Fiber Agreement, which restricted synthetic textiles as well. The latest Multi-Fiber Agreement allows importing nations to negotiate bilateral quotas with exporters. About 80 percent of U.S. textile imports are now covered by individual country restrictions. The United States recently has imposed new restrictions on textile exports from Hong Kong, South Korea, and Taiwan, limiting them to an annual increase of just 1.5 percent per year. In mid-January 1983, the Reagan Administration reduced quotas on some textiles and clothing from China (not a signatory of the Multi-Fiber Agreement) and froze other Chinese textile and clothing exports at or near existing levels.

These two exceptions to the postwar ideal of free trade contained the seeds of its disintegration. Agriculture and textiles were the only significant sectors where free trade would impose major adjustment costs on American producers. The world market for farm goods was limited. Competitors in Canada and Australia had not

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been crippled by war. And American agricultural interests expected that once the worst of the devastation was repaired, West European nations would soon become largely self-sufficient in food, and even exporters. Thus American farmers saw little to gain and much to lose from free trade, and simply rejected the principle. (In fact the potential world market and the American competitive edge have both proved greater than expected, and for decades the United States has tried to recant its own exception and bring agriculture under the banner of free trade.)

In textiles the causes were different but the effect was the same: some American interests foresaw sizable immediate losses from free trade, and U.S. negotiators obtained exemptions from the rules. The world market for textiles, unlike the market for food, was expected to grow, but early in the postwar era it was clear that low-wage countries were better suited for much textile manufacturing.

In nearly every other industry, free trade promised nothing but expanding American exports. Accepting the principle was painless, and its limits unexamined. But in both cases where free trade would have called for substantial immediate adjustment on the part of significant economic groups in the United States, the principle was unceremoniously abandoned. There were no public policies to guide adjustments of this magnitude.

The free-trade principle—and the codes and institutions that were growing up around it—made no reference to the problem of structural adjustment. These early departures from the ideal foreshadowed its widespread breakdown today.

Even when the adjustment problems of the United States and Western Europe loomed larger in the 1970s, America continued to view the issues narrowly in terms of the free-trade ideal. During the Tokyo Round of negotiations, the United States continued to seek international agreements to limit government interventions that "distort" international trade. Several of the codes that emerged—governing public procurement practices and non-tariff barriers—were informed by the free-trade ideal. But the subsidies code reflected no consensus on what sorts of subsidies were out of bounds; the code did little more than establish processes to ensure that retaliation was not disproportionate to the offense.

III

During the 1970s trade accords became progressively less coherent or conclusive because the premises on which the postwar free-trade ideal had been founded were no longer applicable to

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large segments of industrialized economies. Comparative advantage was no longer an almost static phenomenon based on slowly evolving capital endowments. The hourly output of workers in certain less developed nations like South Korea and Taiwan was quickly catching up to the output of workers in the United States and other industrialized nations because they were starting to use many of the same machines, purchased from international engineering and capital-equipment firms with money borrowed from international banks.

The pace of structural change was dramatic. In the mid-1960s, Taiwan, Hong Kong, Korea, Brazil, and Spain specialized in simple products that required large amounts of unskilled labor but little capital investment or technology—clothing, footwear, toys, basic electronic assemblies. Japan's response was to shift out of these products and into processing industries like steel and synthetic fibers, which called for substantial capital and raw materials, but still used mostly unskilled and semi-skilled labor and incorporated relatively mature technologies not subject to major innovations. Ten years later, the newly industrialized countries had followed Japan into basic capital-intensive processing industries. Japan, meanwhile, had become an exporter of steel technology instead of basic steels, and moved its industrial base into products like automobiles, color televisions, small appliances, consumer electronics, and ships—businesses requiring technological sophistication as well as considerable investment in plant and equipment.

By 1980, Taiwan and the other rapid industrializers had themselves become major producers of complex products like automobiles, color televisions, tape recorders, CB transceivers, microwave ovens, small computers, and ships. Korea already has the world's largest single shipyard; the Pohang steel mill is one of the most modern plants in operation. Almost all the world's production of small appliances is now centered in Hong Kong, Korea, and Singapore. Meanwhile, poorer countries like Malaysia, Thailand, the Philippines, Sri Lanka, and India are inheriting the production of clothing, footwear, toys, and simple electronic assemblies.

Far from halting this migration of high-volume, standardized production, automation actually has accelerated it. Sophisticated machines are readily transported to low-wage countries. Robots and computerized machines are substituting for semi-skilled workers. Automated inspection machines are reducing the costs of screening out poor-quality components, thereby encouraging firms in industrialized nations to farm out production of standardized parts to developing nations.

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In the face of this rapid movement into high-volume, standardized production, Japan—and to a lesser extent West Germany and France—have sought to shift their industrial bases to products and processes that require skilled workers—precision castings, specialty steel, special chemicals, and sensor devices, as well as the design and manufacture of fiber-optic cable, fine ceramics, lasers, large-scale integrated circuits, and advanced aircraft engines. Skilled labor has become the only dimension of production where advanced industrialized nations can create and retain an advantage. Technological innovations can be bought or imitated by anyone. Production facilities can be established anywhere. Financial capital now flows around the globe at the speed of an electronic impulse. But production processes that depend on skilled labor must stay where the skilled labor is.

Some skill-intensive products or processes require precision engineering, complex testing, and sophisticated maintenance. Others are tailored to the special needs of customers. The remainder involve technologies that are changing rapidly. All three categories are relatively secure against low-wage competition. All depend largely on experience and know-how—often developed within teams of employees who blend traditionally separate business functions of design, engineering, purchasing, manufacturing, distribution, marketing, and sales. Just as the main source of comparative advantage changed over a century ago from static natural endowments to slowly accumulated capital stocks, so now the new importance of skill-intensive production makes comparative advantage a matter of developing and deploying human capital. This second change is more dramatic than the first. In a very real and immediate way, a nation *chooses* its comparative advantage. The flexibility of its institutions and the adaptability of its work force govern the scope of choice. Decisions on human-capital development define a nation's competitive strategy.

Most discussions of Japan's competitive success focus, either admiringly or accusingly, on its tactics, while neglecting the fact that these tactics are effective largely because they are rooted in a coherent strategy for progressively adopting higher-skilled, higher-valued economic activities.

As Japan has reduced its commitment to basic steel, basic petrochemicals, small appliances, ships, and simple fibers, it has dramatically expanded its capacity in the higher-valued, more specialized segments of these industries. Japan's production of high quality polyester-filament fabrics, requiring complex technologies and skilled labor, now accounts for 40 percent of its textile exports.

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Japan's steel production has shifted to custom-cast steels with new additives and different levels of purification: high tensile-strength steel, light enough to be used in fuel-efficient cars; steel mixed with silicon, designed to improve the efficiency of power transmissions and electric motors; corrosion-resistant steel. While it upgrades its steel production processes, Japan is moving rapidly into wholly new industries. Already Japan has more than half of the world market in 64K memory chips. It has led in the introduction of the next generation—256K chips. It is on the verge of outpacing the United States in super computers. It is gaining significant shares of the world market in industrial ceramics and composite materials. It is substantially ahead in photovoltaics and the application of robotics.

West Germany and France are having more difficulty adapting their economies, but each country is making progress. Although the recent recession has slowed industrial adjustment in both nations, West Germany continues to shift into specialty steel, precision machinery, specialty chemicals, and biotechnologies; France, into aircraft, nuclear-powered generators, satellite technology, and electronic switching equipment.

These nations' governments are working with their businesses and labor unions to accomplish the shift. They are ensuring that managers obtain long-term capital and that workers obtain retraining. They are selectively raising entry barriers and reducing costs in an effort to alter the pattern of national investment, and thereby to accelerate structural change in their economies. They have undeniably made mistakes. On occasion they also bow to the demands of older industries to maintain the status quo. Often, they find it difficult to achieve consensus about the best strategy for adjustment. They are having problems coping with the current recession while trying to maintain flexibility. But these nations understand the inevitability and urgency of structural change, and the central importance of easing and accelerating the transition.

As the free-trade ideal has become hopelessly inadequate to guide these shifts, international economic agencies and formal trade processes sponsored by the United States have been gradually bypassed and enfeebled. Only the easiest of disputes are settled within the GATT system; most major issues of global economic change are dealt with outside it. Bilateral, voluntary export agreements are the rule. Japan now voluntarily limits its exports to Western Europe of automobiles, machine tools, television tubes, and video tape recorders; and its exports to the United States of automobiles, semiconductors, and many other items. The European Community limits its sales of steel to the United States.

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Quotas, tariffs, and other barriers are being imposed on a wide range of products. The European Community maintains a tariff of 17 percent on integrated circuits. Australia, South Africa, Spain, Mexico, and 26 other nations require fixed percentages of domestic content in automobiles assembled within their borders. France is restricting imports of video tape recorders by subjecting them to detailed inspections and deliberate delays.

Some government subsidies are being devoted to older industries. Over the last five years the European Community has invested more than $30 billion in steel. Other subsidies are being directed at emerging businesses. In 1982, Japan unveiled two programs that together devote $750 million to pursuing world leadership in developing and producing the next generation of computers. Japan's $200-million project to develop very-large-scale integrated circuits already has enabled that nation to take the lead in that field. France is spending $20 billion on electronics over the next five years; Germany and France together are investing heavily in satellite technology.

The GATT, which condones or condemns trade practices exclusively by reference to market standards, has little to say about the growing fraction of trade conducted largely outside market channels, such as transfers of raw materials and intermediate goods within multinational firms and issues concerning wholly or partly public enterprises. Several governments are increasing their ownership interests in industry. West European governments already have equity holdings in petrochemicals, steel, railways, coal, gas, oil, shipbuilding, telecommunications, airlines, aerospace, and automobiles. Of Western Europe's 50 largest industrial companies, governments have an ownership stake in 19. In France alone, public corporations now account for almost 30 percent of French sales, 22 percent of the nation's workforce, and almost 52 percent of all industrial investment. These state-owned companies typically subsidize other companies by selling certain goods and services at prices below cost. France has long subsidized the sale of state-supplied coal. State-owned or state-managed banks in many West European nations and in Japan provide special supports to exporting companies. State-owned companies also typically purchase what they need from domestic suppliers. Most national railways, telecommunications, and power-generating entities are excluded from the GATT procurement code.

The free-trade ideal has also been crumbling within the United States. In many respects its erosion here has been more dramatic than elsewhere, and has set a precedent for other nations. Since the

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late 1960s, the pattern has become well established: American industries suddenly faced with foreign competition have threatened to file complaints with the government alleging foreign "dumping" in the United States of goods priced lower than production costs, or foreign subsidies which render the imports unfairly cheap. Anxious to avoid protracted litigation and the trade and diplomatic frictions accompanying it, the United States often has responded by negotiating a voluntary agreement with the exporting nation, setting a limit to the volume of exports shipped to the United States. As structural changes continue and the exporter adapts by becoming more efficient, the drama repeats itself, with the resulting restrictions becoming even tighter than before.

In 1969, U.S. steel producers pressured the government to obtain voluntary limits on the tonnage of steel that could be exported to the United States from Western Europe and Japan. When these failed to stem the tide, the industry filed anti-dumping petitions. In 1978, the Carter Administration agreed to impose a "trigger-price" mechanism, which effectively barred imported steel from entering the country at any price below the computed cost of production by Japan's most efficient producer plus transport charges, overhead, and a stipulated profit margin. After the steel industry filed new anti-dumping petitions in 1980, the trigger price was increased by 12 percent. After the steel industry again filed countervailing duty cases in 1982, alleging that steel exporting nations were unfairly subsidizing their industries, the Reagan Administration negotiated a formal quota on steel exports from Western Europe, limiting sales to 5.44 percent of the U.S. market. Other steel exporting nations now are seeking similar quota shares of the U.S. market.

In 1977, the U.S. government negotiated a marketing agreement with Japan, limiting Japanese exports of assembled color televisions to just under 1.6 million units annually. Similar agreements subsequently were negotiated with Taiwan and South Korea. In 1978, the government substantially increased tariffs on CB radio transceivers. In 1981, the Reagan Administration forced Japan to limit its automobile exports to the United States to 1.68 million vehicles; this has predictably encouraged other importing nations to demand similar assurances from the Japanese. At about the same time the Administration allowed duties to be reimposed on $3.8-billion worth of imports from Hong Kong, South Korea, Taiwan, Brazil, and Mexico, substantially increasing the protection accorded American manufacturers of car parts, electrical goods, fertilizers, and chemicals. Meanwhile, officials pressured Japanese electronic equipment manufacturers to limit their exports to the United States and

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to provide assurances about minimum prices. Congress has also been busy devising new barriers: there is now a 25-percent tariff on trucks manufactured abroad, and 80 percent of the parts of federally funded mass-transit vehicles must be fabricated in the United States.

All told, by 1982 the U.S. product sectors protected overtly by non-tariff barriers—when weighted by each sector's share of total consumption in manufacturing—covered 34 percent of the market for American manufacturers. In Japan the comparable figure was 7 percent; in Canada, 10 percent; in West Germany, 20 percent; in France, 32 percent.[2]

American industries threatened by foreign competition also have been propped up by a wide assortment of government subsidies, special tax provisions, and subsidized loans and loan guarantees. These forms of assistance have mushroomed since the late 1960s, as global competitive pressures have increased. In 1981, for example, the overall rate of U.S. tax subsidies to business as a percent of manufacturing fixed investment (the difference between the actual tax reduction resulting from the purchase of plant or machinery and what that tax reduction would have been under a neutral formula based on estimates of the asset's useful life) was 12.8 percent. In France, the rate was 4.4 percent; in Japan and West Germany the rate was actually negative.[3] By 1982, tax expenditures benefiting American business—in the form of targeted tax credits, special depreciation allowances, and accelerated depreciation—totalled $222 billion. That same year U.S. government-subsidized loans to business totalled over $7 billion in direct outlays; an additional $8.7 billion was allocated in the form of new commitments for loan guarantees. None of the tax expenditures, and only a portion of the loans, appeared as direct outlays in the federal budget.

Finally, the United States continues to grant substantial subsidies and impose severe trade barriers under the pretext of national security. Approximately 55 percent of all research and development in the United States is funded by the government (a much higher percentage than in any other industrialized nation), and the bulk of this support is linked to national defense: government outlays for defense research and development have increased by about $9 billion since 1981, while non-defense research and development

[2] Estimate from William Cline, "Exports of Manufactures from Developing Countries: Performance and Prospects for Market Access," Washington: Brookings Institution, 1982. This estimate does not reflect the severity of the protection accorded the products in question.

[3] See Bulletin for International Fiscal Documentation, Organization for Economic Cooperation and Development, July 1981.

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has increased by only $600 million. Some of these expenditures, more or less by chance, yield spin-offs of new commercial products. Most are narrowly designed for military hardware.

Some connections to national defense are even more attenuated. Merchant shipping is assumed to be a "strategic" industry; as a result, foreign merchant ships are barred from U.S. coastal trade, while the American government spends approximately $500 million per year subsidizing the shipbuilding industry. The United States is now quietly negotiating bilateral cargo-shipping deals with the Philippines, Indonesia, and South Korea—in effect cartelizing several Pacific shipping lines. Crude oil from Alaska's North Slope may not be shipped to Japan, for fear that such trade will compromise America's hoped-for energy independence. Recently, the U.S. government pressured American Telephone and Telegraph (AT&T) to award a large fiber-optics contract to a U.S. company rather than to Fujitsu, the lowest bidder, out of fear that the United States might otherwise grow too dependent on Japan for this strategically important product. (Protection of the U.S. watch industry was once defended on the ground that only watchmakers had the skills necessary for designing bomb sights, and recent demands for barriers against Chinese textiles warn of the danger of inadequate domestic capacity for making military uniforms.)

Demands for relief of U.S. industries in competitive trouble are growing louder. This is understandable. In 1980—before the current recession got underway—58 percent of the U.S. labor force was employed in an industry which had experienced an overall decline in employment since 1973. In addition, four of the industries with slow employment growth (tobacco, automobiles, primary metals, textiles) were among the five industries with the largest average plant size.[4] Adjustments are particularly difficult for these groups. Private risk capital is generally unavailable for restructuring these industries toward higher value-added and more competitive production. Workers have no ready alternative employment in the geographic area; and they are reluctant to leave for fear of losing seniority rights and pension credits at work, selling their homes at depressed prices and buying new homes in regions where homes cost much more, and sacrificing whatever employment security their spouse might have in a local job.

The free-trade ideal is not necessarily incompatible with these mounting worldwide demands for import barriers and subsidies.

[4] See R. Lawrence, "Deindustrialization and U.S. Competitiveness: Domestic and International Forces in U.S. Industrial Performance 1970–1980," Washington: Brookings Institution, October 19, 1982.

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The United States could continue to view all these measures—both abroad and at home—as exceptions and stop-gaps, and seek to contain them. Or we could continue to ignore their variety, ubiquity, and magnitude, and concentrate instead on the shrinking arena in which the ideal of free trade still applies. Or we could redefine "free trade" in such a way that many of these measures fall within a margin of permissible departures from the ideal. Or we could simply match other nations' barriers and subsidies (and expect them to match our own) in an attempt to create a "level playing field" for free trade.

The United States could embark upon any one of these strategies, or all of them. But any such attempt would be futile, because the traditional choice between free trade and protection has become almost irrelevant to the dynamic of structural change in the world economy. Free trade is almost a sideshow. The central issues of international trade policy now concern the relative speed at which national economies are evolving to higher value-added production.

IV

The practical policy choices facing the United States and every other industrialized nation are whether (and to what extent) to preserve existing jobs and industries, and whether (and how) to help move capital and labor to higher value-added and more competitive production. Both choices imply an active role for government. But the first is politically and administratively easier to accomplish than the second, at least in the short run. Most people are afraid of change, particularly when they suspect that its burdens and benefits will fall randomly and disproportionately. By the same token, many policies to preserve the status quo—like barriers against foreign competition and special tax benefits propping up deteriorating balance sheets—do not entail active and visible government intervention. No bureaucrats intrude on corporate discretion. Congress votes no budgets. The costs do not appear on any national accounts, and those who bear them are seldom aware of the source or extent of the burdens.

On the other hand, policies designed to ease and accelerate an economy's transition to higher value-added and more competitive production often require that governments work closely with business and labor to ensure that the sharp changes required do not impose disproportionate costs on some or windfalls for others; that workers have adequate income security and opportunities for retraining; that emerging industries have sufficient capital to cope with the high costs and risks of starting up when these costs and

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risks are beyond what private investors are willing to endure; and that industries in difficulty have sufficient resources to reduce capacity in their least competitive parts and restructure their most competitive. All of these activities entail an active and explicit government role.

The most attractive option is obvious. Preservationism, here or abroad, imperils our future prosperity and that of the rest of the world. The international economy can be compared to a mill wheel driving the process of structural change in each national economy, pushing each into higher-valued production, and generating, ultimately, an ever-richer world. The current that propels the wheel is the flow of goods and services from country to country. Any attempt to dam up the current—say, to maintain jobs in the U.S. steel industry by blocking exports of Brazilian steel—reduces the current's force and slows down the wheel. Brazil has smaller earnings with which to repay its international loans and its growth is stalled. It thus imports fewer U.S. products, and America's growth is slowed. Once the mill wheel begins to decelerate, it is difficult to restore the momentum short of unblocking all the dams and letting the current surge. But the sort of convulsive economic adjustments required to get the world economy moving again under these circumstances are far more difficult to arrange. In the present period of slow growth and high unemployment, a progressively larger proportion of firms and workers become hostage to protectionist policies.

The alternative to preservationism—rapid movement to higher value-added production—is not without its own strains and disruptions. For 15 years American and West European industry has been buffeted by Japan's speedy shift into steel, automobiles, and consumer electronics; the movement of South Korea, Taiwan, and Brazil into these same product areas is now causing further strains. Meanwhile, Japan's forays into advanced microelectronics and composite materials seriously threaten America's future industrial base—as does West Germany's shift into biotechnologies and France's rapid development of telecommunications technology. In addition, competition among nations for leadership in the same emerging businesses creates what might appear to be its own zero-sum game.

But these sorts of tensions and disruptions are the necessary price of a dynamic world economy. Transformations to higher value-added production enlarge the world's wealth. They speed the current under the mill wheel. They generate cheaper and higher-quality products for consumers worldwide. Japan's automobile suc-

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cesses have hurt the American automobile industry, but the fact is that Americans now have access to better automobiles at lower costs; so, too, with steel from Brazil and new drugs from West Germany.

The apparent zero-sum standoff in international competition for leadership in the same emerging businesses is illusory. Competition to develop new products and serve new markets fuels innovation and change. Emerging products and processes can take an infinite variety of forms, incorporating different features and serving different product "niches." Moreover, the race to improve on products and processes already in the market—leapfrogging over competitors' current offerings—makes the current flow even faster. Such shifts are a positive-sum game.

The American interest lies in promoting the rapid transformation of all nations' industrial bases toward higher-value production, while discouraging zero-sum efforts to preserve the status quo. But this strategy requires that the United States abandon its condemnation of all government interventions as illegitimate departures from the free trade ideal.

U.S. trade policies have had just the opposite effect, discouraging positive adjustments at home and abroad. Part of the problem is that America's failure to discriminate between desirable government interventions and undesirable ones—treating them all as somehow illegitimate and thereby forcing them outside the channels of international scrutiny and negotiation—has ceded much of the initiative to political coalitions bent on preserving the status quo. Informal voluntary export agreements of the sort now covering substantial portions of the world market for steel, automobiles, textiles, and consumer electronics are almost certain to be undertaken as last-ditch efforts to save jobs.

America's formal trade policies also have signaled to our trading partners that we deny the legitimacy of active adjustment. For example, when the U.S. Commerce Department determined last June that Britain was unfairly subsidizing British Steel—but failed to consider that the subsidies were being used by British Steel to reduce capacity and retrain redundant workers—the United States appeared to reject this adjustment strategy outright. Yet capacity reductions and retraining programs organized by affected industries with government help are among the most effective ways of easing the shift of capital and labor out of declining sectors. Indeed, the U.S. steel industry stands to gain substantially from such reductions in world steel-making capacity. This is not to suggest that all subsidies to distressed industries are positive. Subsidies distort the

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world economy, and injure the United States, when they serve simply to maintain existing production facilities and jobs at the expense of other nations.

Similarly, when the U.S. Commerce Department preliminarily determined earlier this year that Matsushita was "dumping" radio pagers in the United States at a price that did not permit Matsushita to recover its costs—but failed to consider that Matsushita actually was pricing in anticipation of significant gains in experience and scale efficiencies as it expanded—the United States appeared to deny legitimacy to the aggressive marketing necessary to rapidly commercialize new technologies. Anticipatory pricing to gain high market share in an emerging industry is one of the most effective investments that growing businesses can make—with or without the aid of their governments. Consumers of radio pagers the world over stand to gain from the rapid emergence of such a low-cost product. But we should not turn a blind eye to all instances of foreign pricing below production costs. Such pricing policies in declining businesses merely serve to retard structural change, and may export unemployment during down-turns in a business cycle.

Or consider our formal stand on high technology trade. When the United States argued at last November's GATT Ministerial Meeting that developing nations should remove all import barriers against products incorporating advanced technologies, and industrialized nations should stop subsidizing the commercialization of these technologies, the United States merely seemed bent on maintaining its own lead. Yet the right kinds of government interventions can validly help these nations gain the know-how and production scale that will let them become highly efficient producers in some of these new areas. Other import barriers and domestic subsidies can also of course simply shield obsolete domestic technologies from superior foreign ones and retard global economic progress.

Perhaps the saddest irony is that our formal machinery for responding to the allegedly unfair practices of our trading partners has tended perversely to block industrial change at home. In recent years, America's primary interventions in trade policy have arisen from anti-dumping and countervailing duty cases, the results of which can only shield domestic producers from foreign rivals. As international competition has intensified, many U.S. firms have used these mechanisms to shield their domestic market and avoid the pressure to adapt.

The United States has had a countervailing duty law since 1897. Yet duties were only imposed 41 times in the law's first six decades.

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None were imposed between 1959 and 1967. But as foreign competition heated up between 1967 and 1974, the government imposed duties 17 times. In 1976, the United States entered 15 countervailing duty orders; in 1978, 12. In recent years duties have been used less to offset subsidies on exports from our industrialized trading partners, and more to block incursions by developing countries using aggressive pricing to break into new markets. Of the 38 cases since 1979 where the government found that foreign export promotion measures warranted duties, 22 concerned imports from seven newly industrialized nations.[5]

Prior to 1973, the United States had never countervailed against a domestic subsidy (as opposed to direct export subsidies); since then it has done so more and more often. Once the Commerce Department finds dumping or subsidization, and the International Trade Commission determines that U.S. companies have been injured (even if the foreign practice was not the major cause of the injury), customs officials have no choice but to levy duties on the imports. Even a preliminary finding of "reasonable indication" of unfair practice and domestic injury triggers a requirement that the importer post bond for the estimated duty. Together, these provisions give domestic industries enormous leverage in their battles to ward off foreign competitors.

The current spate of bills in Congress calling for "reciprocity" against foreign trade barriers and subsidies—and the Reagan Administration's new "get tough" policies threatening retaliation against these practices—suffer from the same perversity. Even if a foreign trade barrier or subsidy is patently a zero-sum attempt to preserve the status quo, it makes no sense for the United States to express its opposition in a way that retards industrial adjustment in this country as well.

In short, the United States has no coherent trade strategy. It has no principles for determining which practices of foreign nations and firms should be opposed, and which practices should be encouraged or even emulated. Posing the issue as free trade versus protection is no longer valid in a world economy undergoing rapid structural change where all governments are active participants, either orchestrating or retarding adjustment. That outmoded choice offers no guidance to political leaders in all industrialized nations who must respond to the needs of thousands of workers displaced by imports. Because the United States has no realistic

[5] Mexico, Uruguay, Argentina, Spain, Brazil, Republic of Korea and Taiwan. Trade Action Monitoring System, Office of the U.S. Trade Representative.

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policy, and because the old choice offers no practical alternative, the real choice—between preservation and adjustment—is being made implicitly by the United States in favor of preservation.

V

What sorts of principles might guide a new trade policy to encourage positive adjustment at home and among our trading partners? I can only suggest a rudimentary framework—no more than a set of guidelines for further debate and discussion. The details would need careful examination and elaboration by policy-makers and negotiators.

First, however, two notes of caution: the United States still accounts for over one-fifth of global production and nearly one-fourth of the total national product of all non-communist nations; in dollar value, our exports of goods comprise almost 50 percent of the world's total. The dollar remains a medium of exchange for 80 percent of non-communist trade, and constitutes 75 percent of central bank reserves. Thus the size and influence of the American economy places limits on what actions the United States can take toward our trading partners without shifting the dynamics of the world economy. We cannot merely imitate the successful strategies of another nation, like Japan, which has learned to play well a particular kind of game; our actions inevitably alter the rules of the game itself.

The second point to bear in mind is that "industries" are, strictly speaking, just convenient fictions. They are in fact shifting groups of competitors, clustered around particular products and processes. Rarely are two firms engaged in precisely the same effort. The clustering is thicker for some products and processes than for others, and the pattern is always changing. At any given time some clusters will be doing quite well; others, poorly. Thus it is misleading to speak about the decline of "steel" or "textiles" as a whole, or the emergence of "semiconductors." Some businesses associated with steel—certain specialty steels or steel minimills, for example—remain highly competitive within advanced nations; some textile businesses will continue to perform successfully. On the other hand, some activities entailed in making semiconductors (like stuffing circuit boards), and the manufacture of some lines of standardized semiconductors (like 16K RAMS) probably can be undertaken more efficiently in a developing nation. Thus in seeking to accelerate adjustment we should not aim to abandon broad categories of activities like steel, nor to embrace broad categories like semicon-

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ductors. Instead, we should aim to shift all of these clusters of businesses to higher value-added segments and more competitive outputs.

A new trade policy that assumes and accommodates structural change in the world economy would distinguish among three distinct categories of trade friction, each linked to a different type of business: (1) low-skilled, standardized businesses; (2) cyclical businesses; and (3) high-skilled, emerging businesses. A strategic trade policy would be designed to facilitate adjustment within each category.

Low-skilled, standardized businesses can be found in basic steel, cotton and simple synthetic textiles, metal-working, most shipbuilding, and basic chemicals. These businesses are characterized by long runs (or large batches) of fairly simple commodities, technologies that are evolving slowly, a relatively low level of skills demanded in the production process, and often intensive use of energy. Notwithstanding that capital costs may be high in some of these businesses, it is relatively easy for newly industrialized nations like South Korea, Taiwan, Hong Kong, Singapore, Brazil, and Mexico to pursue them and become strong competitors. Their labor costs are low, they often have access to cheap raw materials, and their markets for such standardized products often are growing rapidly.

The task for the United States and other advanced industrial nations is to ease the adjustment of their firms and workers out of these businesses as quickly as possible. The least competitive firms should be induced to close, thereby giving the more competitive time in which to consolidate operations and shift to higher value-added production. Underutilized plant and equipment should be scrapped or put to other uses. Workers should be retrained. New businesses should be encouraged to move into affected communities. All this typically requires an infusion of external resources, since distressed businesses and their communities are unlikely to possess the wherewithal to do it themselves.

Thus government subsidies linked directly to these adjustments should be encouraged, both within the United States and in other advanced industrial nations. A similar case can be made for some protection from lower-cost imports for a limited time during the transition, *if* it is specifically linked to a plan for capacity reductions and retraining. Domestic consumers will pay higher prices for these goods in the interim, but the higher prices may be viewed as a justifiable tax to help finance the transition. In fact, one import relief law (the so-called "escape clause") explicitly provides for protection in order to facilitate "orderly adjustment," although this

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proviso is generally ignored in practice. An escape clause with enforceable adjustment requirements might serve as a vehicle for useful negotiations between industry and government on the pace and direction of adjustment.

For example, Japan's recent efforts at redeploying people and capital out of low-skilled, standardized businesses have been relatively successful. Since 1978 the government has helped businesses organize adjustment cartels to scrap excess capacity and find alternative employment for their workers. Between 1979 and 1981, public and private agreements concerning 14 businesses led to an average capacity cut of 23 percent, accompanied by a rise in capacity utilization from 69 percent to 79 percent and an increase in the ratio of imports to domestic production from 15 percent to 24 percent. Shipbuilders have cut back production by 37 percent; aluminum smelting, by 62 percent; urea production, 42 percent; ammonium, 26 percent; nylon and polyester fiber, 12 percent; wet phosphoric acid, 18 percent. Of course not all such efforts have met with success. Electric-furnace steel manufacturers have used the cartel's protection to increase capacity by 14 percent. And other Japanese steel-makers, faced with competition from cheap South Korean steel, are pressing the government to impose anti-dumping levies. But the officially sanctioned machinery for scrapping and retraining has in general eased adjustment.

Other advanced nations are installing such adjustment mechanisms with varying degrees of success. If the United States is to have any workable alternative to protection, it must create similar instruments for easing the transition. At a minimum, the United States should refrain from countervailing against foreign subsidies, or retaliating against foreign trade barriers, when these practices are directly tied to capacity reductions and retraining programs.

On the other hand, the United States can legitimately object to certain of our trading partners' practices—like subsidizing exports and setting prices below production costs—which merely retard the shift of capital and labor out of these businesses. Such preservationist policies complicate adjustment and concentrate its costs. They can make it harder to design and implement national transition strategies. Even more objectionable, in terms of the ultimate goal of worldwide economic advance, these policies often end up slowing growth within developing nations (which otherwise would shift into these low-skilled, standardized businesses), and thus constrain the expansion of export markets for more complex goods produced in advanced nations.

But is makes no sense for the United States to retaliate against

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these zero-sum policies by imposing countervailing duties or anti-dumping levies on imported products that have benefitted from them, or by providing American manufacturers in the same businesses with export subsidies of their own. These steps merely retard economic change in the United States while at the same time imposing even greater hardships on developing nations. Instead—for a whole range of low-skilled, standardized businesses—the United States should seek international agreements with other advanced industrial nations, establishing targets and timetables for capacity reductions, the scrapping or conversion of existing plant and equipment, and retraining of workers. The United States might seize the initiative by proposing an international adjustment fund to help finance these transitions. Payments into the fund would be proportional to a nation's current employment in designated low-skilled, standardized businesses; drawing rights would be proportional to a nation's reductions in capacity and employment.

The European Community already has undertaken a few tentative steps in this direction, but these initiatives have been hampered in part by contrary U.S. policies. In December 1979, for example, member governments agreed to a Commission proposal to extend aid to the European textile industry for capacity reductions and conversion of plant and equipment. But it was particularly difficult for the Community to implement this policy due to the continuous flow into Western Europe of cheap U.S. synthetic fibers whose manufacturers had access to petroleum feedstocks at regulated prices below world market levels. During the past five years the Commission also has recommended targets for capacity reductions in steel, and has provided funds for conversions. But these steps too have been only partially successful. Although the Commission has the power to require that member states' steel subsidies be used for capacity reductions and retraining, certain nations—like Italy—actually have increased capacity during the interim. Moreover, the recent flow of tax benefits and government-subsidized loans from the United States to its own steel industry, coupled with mounting efforts to protect American steel from foreign competition, has emboldened some European steel-makers to demand similar preservationist policies there.

Agreements among advanced industrial nations concerning targets and timetables for phasing out low-skilled, standardized businesses would need to be complemented by trade policies accommodating developing nations' adoption of these same businesses. For example, while no legitimate function is served in advanced nations by granting these businesses export subsidies or in pricing

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these products below production costs, trade practices like these can in some cases help developing nations achieve the production scale necessary to become profitable. For developing nations shifting into standardized businesses, export subsidies and below-cost pricing policies are often best viewed as investments to gain economies of scale. At the least, therefore, a trade policy geared to adjustment would not indiscriminately counter developing nations' export promotion measures with countervailing duties or anti-dumping levies.

Cyclical businesses typically entail high fixed costs in plant, equipment, and labor. They also are quite sensitive to even small declines in aggregate demand, since prospective buyers often will delay purchases until markets recover. Taken together, these two features—high fixed costs and business-cycle sensitivity—guarantee trouble for these businesses during recessions. Large numbers of employees are laid off; investments in new equipment are postponed. When the economy picks up again, it is often difficult for firms in these businesses to regain their competitive footing, particularly if firms in other nations have been cushioned during the trough. In the meantime, the social costs of unemployment often are substantial.

In all advanced industrial nations there is an understandable temptation to grant these cyclical businesses special treatment during recessions—to subsidize them, to help them price below production costs, and to block imports—thereby maintaining employment and capacity rather than bearing the social costs of unemployment and the high unit costs of reduced capacity. But this strategy quickly can turn into a zero-sum game. With every advanced nation seeking in effect to export its unemployment and excess capacity problems, no costs are avoided; they are merely shifted to the least nimble international player.

For the United States in particular this is a losing game. Some other nations may be small enough and their trade sufficiently inconspicuous to impose temporary costs on other nations without running the risk of retaliation. For obvious reasons, the United States is not in this enviable position. We cannot keep our cyclical businesses afloat at the expense of the rest of the world because other nations facing similar problems surely will respond in kind.

Our trade position is made doubly difficult because GATT mechanisms can seldom effectively counter such foreign practices. The formal machinery of anti-dumping, countervailing duties, and escape-clause proceedings is generally too cumbersome; informal negotiations leading to voluntary export agreements are too slow.

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By the time imports have claimed a noticeable market share, it is often too late for U.S. businesses to recoup. They will have already laid off workers and delayed investments.

Nevertheless, we should view these foreign trade practices in perspective. Periods of worldwide unemployment and underutilized capacity are caused by declining demand, not by predatory trade practices. Zero-sum trade practices can reallocate and concentrate these costs, but they do not create them. The long-term competitiveness of America's cyclical businesses has been jeopardized more by their short-sighted investment and employment practices than by unfair foreign trade measures.

For example, not until 1975 did the Japanese begin to make substantial headway in semiconductors. And they could do so in large part because American chip-makers were standing still. As the U.S. economy was staggering under the impact of the oil-price rise, commercial purchasers of semiconductors in the United States reduced their demand sharply. The government's defense and aerospace budgets were contracting at the same time. As a result, U.S. chip-makers cut their capital equipment purchases by half and laid off thousands of skilled workers. By contrast, the Japanese chip-makers—with their tax privileges, government loans and subsidies still in place—could afford to maintain capacity and improve their technology in anticipation of the next economic upturn. When the market began to rebound, American chip-makers had difficulty attracting back skilled workers and regaining technological momentum. Still smarting from the recession, American executives were reluctant to add new capacity. When the market took off again in 1978, they were caught short. Just to keep its own customers supplied, Intel was forced to buy chips from Hitachi at the rate of 200,000 a month; International Business Machines (IBM) had to purchase 10 million Japanese chips for its small computers. By the end of 1978 the Japanese chip-makers had captured 40 percent of the world market for 16K RAMS. History has been replayed for both semiconductors and machine tools in the current recession.

Thus a "tough" U.S. trade policy for cyclical businesses is less relevant to their competitive strength than industrial and macroeconomic policies designed to reduce their vulnerability to recessions. In many of these businesses we have failed to maintain competitiveness because our capital markets do not provide adequate long-term financing, because our workers lack durable ties to their firms, and because we have chosen to control inflation by periodically cooling the U.S. economy to a near freeze. Other advanced industrial nations have adopted quite different policies. For example, our trade conflicts with Japan over cyclical businesses

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have been most intense during periods when the yen was undervalued (1970–71, 1976–77, and 1981–82). In the most recent period, that disparity has been directly related to America's tight money and loose fiscal policies, and Japan's loose monetary and tight fiscal policies.

Thus, the U.S. trade strategy for cyclical businesses should be twofold: first, we should continue to discourage foreign export subsidies and below-cost pricing. But more important, we should seek to coordinate our macroeconomic policies with those of our trading partners, so that currency values do not fall too far out of line with underlying trade demand. And we should create countercyclical industrial policies which would help maintain employment and capacity in our key cyclical businesses during troughs in the business cycle. These policies might take the form of development banks to provide long-term financing, and government-subsidized retraining vouchers to allow employees to use recessions as occasions to upgrade their skills.

Emerging businesses in advanced industrial nations are characterized by rapid technological change. All depend largely on skilled labor. Examples include the design and fabrication of optical-fiber cable, large-scale integrated circuits, advanced aircraft engines, complex polymer materials, and products derived from recombinant DNA. Many of these businesses are found in the higher-valued, more specialized segments of older industries—for example, automobile transaxles, aramid (high-strength synthetic) fibers, and corrosive-resistant steel. And in many of these businesses, such as office communications and computer-aided manufacturing, the traditional line between goods and services is becoming blurred.

Every industrialized nation is racing to gain scale and experience in these businesses; national strategy, not natural endowment, is the key to competitive advantage. Every nation—including the United States, through the back door of the National Aeronautics and Space Administration (NASA) and the Department of Defense—is subsidizing research, development, and commercialization. Some nations also are erecting import barriers on the theory that these businesses represent "infant industries" which must be temporarily sheltered. Finally, in anticipation of burgeoning markets, some firms are setting prices substantially below current production costs. Which of these practices should the United States oppose? Which should it emulate?

Subsidies to accelerate development should be welcomed. New, higher-valued products and new processes for generating them add to the world's wealth. Even if every nation aims for leadership in the same field, this will not become a zero-sum game, since an

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infinite range of variations and improvements can be achieved, and intense competition will spur even greater progress.

For emerging businesses featuring rapid technical change and continuously evolving products, even below-cost pricing should be welcomed as a positive-sum strategy. Such a pricing strategy signals the anticipation of a substantial drop in costs and prices as producers gain greater scale and experience. The producer gambles that there will be sufficient demand to generate a healthy return if and when the firm gains a substantial market position; the gamble is made more risky by the possibility that a competitor will bring out a new product generation in the meantime. Because this form of competition keeps prices low, all consumers benefit. Moreover, given the dynamic nature of the market, below-cost pricing under these circumstances is not predatory—any competitor can leapfrog to a new and better product. Below-cost pricing is just one means of investing in (and betting on) a particular production generation.

The United States has two handicaps in this race. The first is the share of resources devoted to defense-related research and development, which leads only occasionally and by accident to commercially competitive products or processes. This problem is best addressed by boosting support for non-defense research and development, and by creating a new mechanism (perhaps a White House Industrial Development Board) capable of assessing the effects of major defense projects on U.S. commercial competitiveness and identifying alternative plans for achieving defense objectives in ways that offer richer benefits for the rest of the economy.

The second handicap takes the form of antitrust policies which discourage joint research ventures among domestic firms in international competition. This can be remedied by altering the antitrust laws explicitly to permit such joint ventures when the world market share of the relevant U.S. firms is under, say, 25 percent.

But there is no reason why the United States should erect trade barriers against foreign emerging businesses which enjoy targeted subsidies or set prices below production costs. Barriers only reduce domestic competition. They allow American producers to opt out of the international race for the next cheaper or better generation. So long as markets are growing and changing rapidly, the financial health of domestic firms in these businesses depends not on heavy investment in existing production capacity or on a stable pool of customers, but on rapid adaptation and quick exploitation of new opportunities—a set of organizational skills that can be honed best in a highly competitive global market.

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Nor does the "infant industry" argument provide a sound rationale for protecting emerging businesses. Such protection rarely will help a domestic firm catch up to a foreign competitor enjoying a head start in scale and experience. Since technologies are changing rapidly, a better strategy is to encourage domestic firms in their efforts to leapfrog to the next product generation and establish a leading position there. Domestic producers intent on making such a leap may benefit from government subsidies (particularly in cases where the prospect of delayed and contingent returns makes venture capital markets balk), but not from protection against imports of the product they aim to surpass.

Import barriers may also jeopardize the international competitive positions of domestic industrial purchasers who would have to pay more for their supplies, or settle for components of poorer quality. U.S. pressure on Japan to reduce exports of 64K RAMS surely places American computer manufacturers at a competitive disadvantage relative to Japanese computer manufacturers who have ready access to better and cheaper chips. Similarly, were the President to disallow investment tax credits for the purchase of numerically controlled machine tools manufactured in Japan, as some machine-tool makers have urged, American producers of automobiles and construction equipment would no longer have access to superior Japanese machine tools at a low cost.

The United States *should* oppose foreign trade barriers which block U.S. exports of high-technology products. But because such tactics are apt to hurt these other nations at least as much as they do U.S. producers, the United States has an opportunity through international negotiations to convince its trading partners that the route to competitive success in emerging businesses lies more in the right kind of subsidies than in import barriers.

A final facet of the American strategy for emerging businesses concerns the investments in the education, training, and group learning which now define advanced nations' comparative advantage and determine their capacity to adopt new high-value businesses. Financial capital formation is becoming a less important determinant of a nation's well-being than human capital formation. Financial capital is highly mobile; international savings are flowing around the globe to wherever they can be put to use. Nor is basic invention any longer the key to competitive leadership. Technological innovations can be bought or imitated by anyone: Britain has continued to lead the world in major technological breakthroughs while its economy declines. But a nation's store of human capital—

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the skills and knowledge embedded within the work force—is relatively immobile internationally, and directly determines the speed and efficiency with which new products can be developed and brought to market.

The quality of public education will continue to be critically important. But since many of the most relevant skills can best be learned on the job, it is becoming increasingly important to develop and attract emerging businesses that will invest aggressively in the training and development of their employees.

Some 70 percent of the value added in American manufacturing currently derives from firms that have branches, subsidiaries, or joint ventures outside the United States; a similar percentage of manufacturing income in Japan, West Germany, Sweden, and Britain is earned by multinational enterprises. Thus the internal decisions of these firms help shape the pattern of international employment. But the important issue is not how these multinationals allocate jobs. It is how they allocate their investment in people.

Japanese multinationals, for example, are now actively engaged in worldwide investment programs. But their underlying strategies are geared to increasing the real wages of Japanese workers over the long term. Japanese companies are establishing facilities in America and Western Europe for assembling automobiles, trucks, and appliances. Because these assembly facilities require relatively low-skilled labor, they do not threaten the interests of progressively more skilled Japanese workers. So long as the highest-value portion of the production process remains behind in Japan, foreign-based assembly facilities contribute to the standard of living of Japan's citizens by increasing the demand for the sophisticated components they produce.

Meanwhile, Japanese companies are entering joint ventures with American companies in the emerging fields of biotechnology, "fifth generation" computers, fiber optics, and advanced integrated circuits. By the terms of these agreements, most advanced research and engineering are to be done in Japan. The U.S. firms thereby gain access to the Japanese market, but Japan reaps the more durable benefit of investments in its human capital. Japanese firms also are producing aircraft under licensing agreements with McDonnell Douglas and Lockheed, rather than buying the aircraft outright; this arrangement enables Japanese workers to learn about up-to-date aircraft manufacturing systems and technologies. In the short run these joint ventures and licensing agreements are more expensive than direct purchases would be, but in the long run they will increase the store of skills and knowledge embedded in the

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Japanese work force and thereby permit Japan to be more competitive in these industries in the future. The extra cost simply represents sound investments in human capital.

At the same time many Japanese producers are supplying American manufacturers with high value-added products and components. Xerox already is producing many of its small copiers in Japan. Motorola operates an integrated-circuit design center and a test center there. AT&T soon will be selling in the United States cellular mobile-telephone equipment produced in Japan. Of the 16 U.S. firms that built manufacturing facilities in Japan during the first half of 1982, ten were in the business of making advanced semiconductors, and four in biotechnology and fine chemicals. Beginning in 1984, both General Motors and Ford will be importing subcompacts, diesel engines, and transaxles from Japan. All these arrangements also serve to develop Japanese know-how, rather than the long-term skills of the American work force.

Governments in many other nations are beginning to distinguish between direct investments in their nations which merely create new jobs and those which also increase the quality of their labor force. They therefore are bargaining with multinationals for more human capital investment: Italtel, Italy's state-owned telecommunications equipment manufacturer, recently entered into an agreement with General Telephone and Electronics (GTE) to develop an electronic telephone-switching system for the Italian market on condition that the manufacturing facilities be in Italy. GTE gets an inside track on future business in Italy, but Italtel gets the know-how. France has invited Motorola to establish a semiconductor division there and has offered investment incentives on condition that Motorola set up a research and development department in France to help train French engineers. Various governments' conditional offers of market access have led IBM to establish nine research laboratories in Europe and Asia. Ireland is offering incentives for multinationals to establish full-scale manufacturing, research and development, and European-wide administrative facilities in that country.

The United States must understand that government expenditures in the form of subsidies, loan guarantees, and tax benefits designed to keep or lure high value-added emerging businesses within the United States, are no less legitimate investments in the education of America's labor force than are investments in the public schools. Properly conceived, these are not zero-sum efforts to increase employment at home at the expense of employment elsewhere; they are positive-sum policies to enhance the skills and

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know-how of American workers while increasing the wealth-creating potential of the world. In the long run they may constitute our most important strategy for emerging businesses.

VI

These guidelines for active trade strategies that distinguish among declining, cyclical, and emerging businesses are no panacea for trade conflicts. Frictions will remain. Indeed, policies based on the principles outlined here would surely inspire heated debates about which businesses fit within each category, and whether trade practices in fact are being used to shift to higher value-added production or merely to preserve the present industrial base.

The point is not so much to reduce or eliminate frictions, but to change the nature of the debate and the focus of attention. Rather than preoccupy ourselves (and our trading partners) with endless and empty disputes over whether a particular practice constitutes an unwarranted subsidy, a particular firm is engaged in dumping, a certain domestic industry has suffered an injury, or certain non-tariff barriers are disruptive to free trade, these new trade strategies would focus the debate squarely on the central question of whether the practices in question serve to accelerate adjustment or maintain the status quo.

The international economy is changing too rapidly to expect that we can discover any immutable principles to guide it automatically on its way. Structural changes are painful, and the vagaries of politics inevitably will play a larger role in setting trade policy in the United States and in every other nation in the years ahead. Thus we need a set of strategic concepts which are consistently applied and which clearly alert our trading partners to what we conceive to be our interest. For the same reason, a formal, court-like apparatus for fact-finding and disposition of trade disputes will prove to be less useful than an ongoing process of political debate and negotiation, in which all sides are permanently engaged.

The choice is clear. The forces of preservation will continue to gain ground without U.S. leadership in the opposite direction. Already steel, autos, textiles, and video tape recorders have succumbed to fixed world quotas on their way to becoming cartel arrangements. The United States should approach our trading partners with a lively awareness that adjustment is inherently difficult, that active government intervention is inevitable and sometimes desirable, and that—through explicit strategies and an ongoing process of negotiation and compromise—we can change zero-sum international conflict into a positive-sum enterprise for world growth.

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Robert L. Bartley
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"YELLOW RAIN" AND THE FUTURE OF ARMS AGREEMENTS

"This Convention completely prohibits biological and toxin weapons. Since it provides for the elimination of existing weapons, it is a true disarmament measure."

So it seemed to Fred Charles Iklé, then director of the Arms Control and Disarmament Agency, as he testified before the Senate Foreign Relations Committee in 1974. He expressed the Ford Administration's support for ratification of a treaty with the comprehensive if awkward title, "Convention on Prohibition of the Development, Production, and Stockpiling of Bacteriological (Biological) and Toxin Weapons and Their Destruction." At the same time, he recommended that the Senate ratify the Geneva Protocol of 1925, already ratified by all the other major military powers, which prohibited the use of both biological and chemical agents in warfare.

This seemed entirely appropriate to the full blossom of détente. In November 1969, the same month U.S. and Soviet negotiators opened the Strategic Arms Limitation Talks, President Richard Nixon undertook an experiment in unilateral disarmament, unconditionally renouncing all methods of biological warfare. Three months later this renunciation was broadened to include toxin weapons, i.e., poisons produced by biological processes but not themselves living organisms. The Administration set about destroying all stockpiles of biological and toxin weapons, and closing down the research into offensive use of such weapons that had been conducted at Fort Detrick, Maryland.

This U.S. initiative was quick to bear fruit. In early 1971, the Soviet Union dropped its previous insistence that any biological weapons treaty also include chemical weapons, which had created a negotiating deadlock because the United States and Great Britain were unwilling to destroy existing chemical weapons stocks they

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felt served deterrent purposes. With the Soviets willing to treat biological warfare separately, the Convention was concluded a year later, and was signed by 111 nations.[1]

The 1972 Convention called for an end to development of biological and toxin weapons. Signatories pledged not to acquire or maintain stocks of biological agents "of types and in quantities that have no justification for prophylactic, protective or other peaceful purposes." Existing stocks and delivery equipment were to be destroyed, and transfer of either stocks or technology to third parties was specifically banned.

Perhaps curiously, the 1972 Convention did not ban the use of such weapons in warfare, though presumably this was already outlawed by the 1925 Geneva Protocol, not to mention customary international law. The Convention made only limited provision for verification of compliance with its terms. It required state parties "to consult one another and to cooperate in solving any problems which may arise." It established no supervisory machinery, but provided that governments that find evidence of violations "may lodge" complaints with the U.N. Security Council. Final appeal could be taken by persuading a majority of signatories to convene a special meeting.

In presenting the official case for ratification of the treaty, Mr. Iklé offered three arguments: that the treaty did not deny the United States any "militarily viable option" since the usefulness of such weapons was "dubious at best," that "biological weapons are particularly repugnant from a moral point of view," and that the Convention would "discourage some misguided competition in biological weapons."

Mr. Iklé added one caveat, that it would be "difficult" to verify compliance with the Convention "in countries with relatively closed societies." This did not preclude an agreement because the weapons were deemed militarily unimportant, but "the limited verifiability of this Convention should not be misconstrued as a precedent for other arms limitations agreements."

Such doubts seemed footnotes, though, compared to the promise of the Convention. As President Nixon, who had first requested ratification, had put it in his official message, it was "the first international agreement since World War II to provide for the actual elimination of an entire class of weapons from the arsenal of nations." The Convention seemed an apt expression of the spirit

[1] A standard reference work on the Convention, including its historical background and list of signatories, is *Arms Control and Disarmament Agreements, 1980*, U.S. Arms Control and Disarmament Agency, Washington: GPO, 1980, pp. 120–131.

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of détente, and a significant victory for arms control. It was ratified by the Senate, along with the Geneva Protocol, December 16, 1974. With deposit of U.S. ratification in Washington, Moscow and London, the Convention went officially into force on March 26, 1975.

II

Beginning in the summer of 1975, H'Mong refugees fleeing Laos for Thailand started to carry terrifying stories. They spoke of aircraft attacking their villages with rockets that exploded overhead to release a cloud of vapor, usually described as yellow or white, but sometimes red or green. As the vapors settled over the huts and fields, they caused bizarre medical symptoms. Those most exposed frequently died, and similar though milder symptoms were reported by those on the periphery of an attack or who ate food or drank water contaminated with the yellowish powder. The refugees described dizziness, severe itching or tingling of the skin, the formation of numerous small and hard blisters, nausea, shock, coughing of blood-tinged material, bloody diarrhea, and vomiting of massive amounts of blood.

The H'Mong are primitive mountain people historically at odds with the lowland Lao, and for that matter any central authority. During the Vietnam War many of them fought against the North Vietnamese and Pathet Lao in a force organized under General Vang Pao and supported by the United States. At the time they were referred to as the Meo, the Laotian term for the tribes. They now complained that the Pathet Lao and North Vietnamese were attacking their villages in retribution for helping the United States during the War. Having little grasp of modern technology, or even a written language, they christened the gruesome new weapon "yellow rain."

In 1975 and 1976, however, such reports remained fragmentary. The reported attacks took place in north-central Laos; the journey to Thailand was long and arduous. U.S. intelligence had no systematic procedures for collecting such reports, and the available information came from doctors working in the refugee camps and the volunteer efforts of two Bangkok embassy officials, Foreign Service Officer Edward McWilliams and Lieutenant Colonel C. Dennison Lane.

By 1977 and 1978, the number of reports of apparent chemical attacks began to increase alarmingly, especially from the H'Mong stronghold area in the Phou Bia mountains. In October 1978, U.S. officials raised the reports with the Lao Chargé d'Affaires in Washington, and Assistant Secretary of State Richard Holbrooke went

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to Vientiane to express American concern over human rights for the H'Mong. In March 1979, the United States raised the issue of poison gas use at the 35th session of the U.N. Human Rights Commission. The Laotians consistently denied the use of chemical weapons.

In May 1979, Mr. McWilliams went to refugee camps in Thailand to interview H'Mong eyewitnesses, and compiled a lengthy report of his conversations. This represented the first systematic record of the reports, and became the basis for later compilations published by the State Department. In the fall a U.S. Army medical team was dispatched to Thailand to conduct interviews. In the winter of 1979, the U.S. government raised the "yellow rain" issue with the governments of the Soviet Union, Laos and Vietnam; all three denied the charges.

By 1980 similar reports were being received from Kampuchea, where Khmer Rouge forces were still holding out against Vietnamese, and from Afghanistan, where Soviet troops were fighting against local resistance. The Carter Administration became concerned enough to compile a 131-page collection of refugee reports and newspaper accounts of chemical attacks,[2] and to seek an international investigation. In December of 1980, at the urging of U.S. and Canadian delegations and over the objections of the Soviet Union, the U.N. General Assembly voted to conduct an investigation of the charges.

The material compiled by the State Department in 1980 included interviews with a defector from the Lao People's Liberation Army who said he had been directly involved in the kind of attacks described by the H'Mong. He had flown captured U.S. L-19 and T-41 aircraft dispensing toxic chemicals over H'Mong villages in the Phou Bia area. He described the directions of Vietnamese officers, and special medical precautions taken during and after the flights. He said that the missions were called "Extinct Destruction Operations," and that he had been told by his superior officer that they were intended to "wipe out the reactionary H'Mong people."

In March 1981, the State Department issued a 33-page update of its previous compilation.[3] To get a flavor of the 164 pages of documents, consider the account of Mah Hear, who had lived in the H'Mong village of Long Sa in the Phu Khao Khaoi area, and who fled to Thailand with his son in February 1981. He told of a

[2] *Reports of the Use of Chemical Weapons in Afghanistan, Laos and Kampuchea*, U.S. State Department, Bureau of Public Affairs, August 1980.

[3] *Update to the Compendium on the Reports of the Use of Chemical Weapons*, U.S. State Department, Bureau of Public Affairs, March 1981.

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chemical attack the previous October on a cluster of four villages in which approximately 1,000 people had died after intensive vomiting and diarrhea with blood. The dead included Mah Hear's wife and daughter, and his five-year-old son Tou Houa was questioned about the attack.

State's summary of the child's testimony reads, "Tou said that his mother and sister had been poisoned by a white plane which dropped yellow—his father said 'red'—smoke. He said that many people died vomiting. He said that many animals also died. When asked what people at the local clinic did to make him better, he responded that they played with him. When asked how he got the various sores on his body which his father had attributed earlier to the gas attacks, he responded simply that he had the injuries a long time."

III

From the start, U.S. chemical warfare experts in the Defense Department and at the Central Intelligence Agency were puzzled by the "yellow rain" reports from Southeast Asia. The symptomology, particularly the massive hemorrhaging, did not correspond to any known chemical warfare agent. Early samples of vegetation, clothing and human tissue from attack sites and victims showed no traces of familiar chemical agents.

Even though the symptoms did not fit any known chemical agents, there was no denying the numerous and consistent reports from Southeast Asia. Analysts in the intelligence community decided by 1979 that they needed to broaden the list of potential chemical agents. Analysts from the State Department, the Defense Department, the CIA, the Defense Intelligence Agency, the National Security Agency and the Surgeon General's Office met regularly to discuss the latest evidence and to compare notes on their own research.

In 1981, breakthroughs started. In March, a CIA medical expert sent to Southeast Asia was able to conduct covert autopsies in Kampuchea of victims of a "yellow rain" attack, which had taken place only 12 to 24 hours earlier. His examination showed severe deterioration of the gut and upper small bowel, from which he deduced that a small molecular-weight toxin must be at work. Vegetation and water samples were collected from the site of the same attack for subsequent laboratory analysis.

Back in Washington, meanwhile, Dr. Sharon Watson, a research specialist in toxicology at the Department of the Army, was also pondering the symptoms reported in the "yellow rain" accounts.

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She noticed a striking similarity with symptoms produced by trichothecene mycotoxins, rare but especially poisonous toxins produced by a certain strain of fusarium, a common fungus found on moldy grains. The known effects of trichothecenes include nausea, vomiting, dizziness, a burning sensation of the skin, failure of muscle coordination, diarrhea with blood and internal hemorrhaging.

By far the most prominent outbreak of trichothecene poisoning in the medical literature concerned the devastation of 50 counties of the Orenburg district of the Soviet Union in the winter of 1943–44 by an epidemic of a disease then called Alimentary Toxic Aleukia (ATA). The symptoms of this disease were similar to those the H'Mong attributed to "yellow rain," except that the Orenburg peasants did not experience the exceptionally rapid hemorrhaging with massive vomiting of blood. Thirty percent of the population of the district became seriously ill, and over ten percent of the population died.

During the Orenburg epidemic, peasants had been scrounging the winter fields for unharvested wheat and millet. A.Z. Joffee, who worked in the Soviet Union during the epidemic and later emigrated to Israel, identified poisonous fusarium in the wheat samples. The poisonous forms of these molds grow best in cold climates, especially with cycles of freezing and thawing. Three decades after the epidemic, Chester Mirocha of the University of Minnesota identified T-2, a trichothecene mycotoxin, as the active agent in a sample of the wheat provided by the Soviets.[4] Trichothecene poisoning is now believed to have been responsible for the Orenburg epidemic. Trichothecenes fed to animals produce symptoms similar to those at Orenburg, and are recognized in the colder regions of North America as a veterinary problem with moldy feeds. Canada has recently established tolerance levels for trichothecene residues in wheat.

While the symptoms of trichothecene poisoning reported in the medical literature do not include the spectacular hemorrhaging claimed by the H'Mong, it was easy to form speculations to explain the discrepancy. In particular, the Orenburg peasants ingested the toxins, while villagers in Laos generally inhaled the "yellow rain." Subsequently, tests by U.S. Army scientists at Fort Detrick found that inhalation of the toxins does indeed produce pulmonary and gastric hemorrhaging that is both quick and massive; this effect can

[4] See A.Z. Joffee, "Biological Properties of Some Toxic Fungi Isolated from Overwintered Cereals," *Myropathol. Mycol. Applicata*, XIV: 1962, pp. 201–221; A.Z. Joffee, "Alimentary Toxic Aleukia," in *Microbial Toxins*, Vol. 7, ed. S. Kadis, A. Ceigler and S.J. Ajl, New York: Academic Press Inc., 1971, pp. 139–189; and C.J. Mirocha and S. Pathre, "Identification of the Toxic Principle in a Sample of Poaefusarium," *Applied Microbiology*, Nov. 1973, pp. 719–724.

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also be heightened by mixing the toxin with other agents, and by dispensing it with solvents to speed absorption.

Review of the scientific literature revealed that trichothecenes had been the subject of intense Soviet scientific investigation since the 1930s. The physical and chemical properties of the toxins, especially their chemical stability, made them ideal as warfare agents; they could also easily be mass-produced. Indeed, much of the published Soviet literature on the toxins is more concerned with how to produce them in large quantities as opposed to research into prevention or antidotes. In addition, the Soviet research projects on mycotoxins were performed at institutes previously associated with other chemical and biological warfare research.[5]

Dr. Watson conferred with the CIA analyst upon his return to Washington; they discovered that their theories, independently arrived at, matched completely. Samples taken from the site of the attack that killed the autopsied victims were sent for laboratory analysis. The initial tests in government labs failed to detect any evidence of mycotoxins, but some of the "yellow rain" samples, along with negative and positive control samples, were sent to Dr. Mirocha for more sophisticated analysis. In August, his laboratory reported that the sample taken from the attack site tested positive for trichothecene mycotoxins. Six years after the first "yellow rain" reports, the United States had finally identified at least one of the poisons being used in Southeast Asia—an agent of a kind clearly outlawed by the 1972 Biological Weapons Convention.

IV

It was against this backdrop that Secretary of State Alexander Haig decided to go public with the "yellow rain" charges. Secretary Haig was scheduled to speak in Berlin on "The Democratic Revolution and Its Future" on September 13, 1981.[6] One of his themes was a "double standard" under which democracies were "impugned and criticized" for the slightest questionable behavior, while "a forgiving and accepting eye is turned toward adversaries." He revealed that "We now have physical evidence from Southeast Asia which has been analyzed and found to contain abnormally high levels of three potent mycotoxins—poisonous substances not indigenous to the region and which are highly toxic to man and animals." He added that the use of such weapons in warfare was prohibited

[5] Sharon Watson, Statement before the Committee on Armed Services, U.S. Senate, 97th Cong., 2nd sess., March 15, 1982, Washington: GPO, 1982.

[6] Alexander M. Haig, Jr., "The Democratic Revolution and Its Future," Current Policy No. 311, U.S. State Department, Bureau of Public Affairs, Sept. 13, 1981.

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by the Geneva Protocol, and that their manufacture or possession violated the Biological Weapons Convention.

The next day the State Department held a press conference in Washington to give further details of the "yellow rain" evidence. Its five-page "fact sheet" said, "Analysis of a leaf and stem sample from Kampuchea has revealed high levels of mycotoxins of the trichothecene group." It continued: "The levels detected were up to twenty times greater than any recorded natural outbreak. Since normal background levels of these toxins are essentially undetectable, the high levels found are considered to be abnormal, and it is highly unlikely that such levels could have occurred in a natural intoxication. In point of fact, these mycotoxins do not occur naturally in Southeast Asia."[7]

The State Department document also included circumstantial evidence of chemical warfare, noting previously published refugee testimony. It reported that the "yellow rain" symptoms matched the known effects of trichothecene poisoning, and related some details of the 1944 Orenburg epidemic. Reporters were told that no large pharmaceutical-type facility existed in Southeast Asia which could produce these toxins, although such facilities do exist in the Soviet Union. However, no attempt was made to systematically outline the history of the discoveries. Reporters were offered an opportunity to question government experts, but the names and positions of the experts were withheld.

The press reacted to these revelations with a withering skepticism. Bob Simon, CBS State Department correspondent, reported after the briefing: "It's viewed here as far from coincidental that this information is being released with such fanfare at a time when the Reagan Administration is anxious to muster support domestically and in Europe for what it perceives as an increasing Soviet threat." When the Public Broadcasting Service's "Inside Story" went back in March 1982 to reexamine this initial coverage, Mr. Simon said: "It just seemed to me like a story that was being planted, and being planted in a rather sloppy way." Don Oberdorfer of *The Washington Post* said: "In the course of the questioning it came out that they were hanging this thing on one leaf and stem that had been procured from Cambodia, which struck a lot of people as not very strong evidence for a charge made by the Secretary of State in a full dress State Department briefing."[8]

[7] "Fact Sheet" on chemical warfare, released at U.S. State Department press conference in Washington, D.C., Sept. 14, 1981.

[8] "Poison or Propaganda," Inside Story, Program #207, March 5, 1982, transcript WNET-TV, New York.

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However much blame should go to State's mishandling of the briefing or excessive skepticism by the reporters, clearly little had been done to prepare the ground for such charges. The briefing had been hastily drawn together; Secretary Haig's remarks had been inserted in his speech at the last minute, under pressure of a leak to *Time* magazine on the mycotoxin findings. State was also concerned about seeming to be behind the news because the book *Yellow Rain* was about to be released; author Sterling Seagrave had started out to investigate U.S. chemical warfare capabilities and the use of the herbicide Agent Orange, but concluded the real story was that the Soviets were already using chemical warfare on a massive scale. He had picked up the name for his book from the H'Mong, and remarked at the similarity of their symptoms to those of trichothecene poisoning.[9]

Prior to the State Department briefing, however, the "yellow rain" reports had received scanty public attention. There had been scattered reports in the American press, and more numerous ones in Asia. The October 1980 *Reader's Digest* had run a report by Jane Hamilton-Merritt, a freelance journalist and Asian studies scholar who had devoted herself to studying the H'Mong. Jim Coyne, an editor of *Soldier of Fortune* magazine, returned from Thailand in May 1981 with a sample of yellow powder. It was ultimately delivered to Representative Jim Leach (R-Iowa), who was vainly trying to stir up some interest in possible violations of the biological weapons treaty.[10] And there had been press reports of an anthrax outbreak at Sverdlovsk in the Soviet Union in April 1979, also suggesting biological weapons activity.

This was not much to prepare the press or public for charges of such magnitude. Then, too, many observers were struck by what seemed an anomaly. If the Administration really believed the Soviets were breaking existing arms control treaties, this would seem to call for major adjustments in its whole arms control policy. Yet the week after making these charges Secretary Haig met with Soviet Foreign Minister Andrei Gromyko to schedule talks on theater nuclear forces. In November, President Reagan made his National Press Club speech proposing new strategic weapons talks under the new acronym, START. The Administration was accusing the Soviets of breaking old treaties and simultaneously proposing to negotiate new ones.

[9] Sterling Seagrave, *Yellow Rain: A Journey Through the Terror of Chemical Warfare*, New York: M. Evans and Co., 1981.

[10] See *Yellow Rain*, Hearing before the Subcommittee on Arms Control, Oceans, International Operations and Environment of the Committee on Foreign Relations, U.S. Senate, 97th Cong. 1st sess., Nov. 10, 1981, Washington: GPO, 1981.

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The initial skepticism of the press was fed by the attitude taken by some key scientists knowledgeable about chemical warfare, notably Matthew Meselson, a Harvard University biologist, and Julian Perry Robinson of the University of Sussex's Scientific Policy Research Unit. "In such an important situation, one looks to our government for a very high standard of evidence," Dr. Meselson told *The New York Times*. "But in some respects, official government statements have contained demonstrable and serious scientific errors which damage our credibility and raise doubts about our case." Dr. Robinson told ABC News: "It's ludicrous in fact to base charges of quite such moment on one sample. No analytical chemist worth his salt would go along with that."

A Mennonite missionary, Frederick Swartzendruber, said in several forums that he had traveled the H'Mong communities in Laos, and had never heard of "yellow rain." Gene Lyons, a freelance journalist who had written previously on chemical warfare, wrote on the op-ed page of *The New York Times* that "yellow rain" might be a "CIA hoax." The urge to dismiss the gathering evidence reached absurd lengths. In a January 21, 1982 editorial opposing U.S. development of "binary" chemical weapons, the *Times*' editors brushed off "yellow rain" with the passing comment, "Reports that the Russians used toxic agents in Afghanistan and Indochina have not been fully confirmed. Besides, they describe small-scale use against unprotected people in remote areas."

Two major news organizations were exceptions to the general reaction. ABC News mounted its own expedition to Southeast Asia, and found its own trichothecene-contaminated sample.[11] And *The Wall Street Journal* repeatedly returned to the story, running some 50 articles in the 18 months following the Haig speech. But despite the rather extensive, if little circulated, knowledge that preceded the Haig speech, the "not enough evidence" mentality dominated press and presumably public impressions of "yellow rain" for more than a year after the Secretary first took it public.

Throughout 1982, however, wave after wave of accumulating evidence lapped at the shores of skepticism. In late January, the State Department published an analysis of blood samples taken from "yellow rain" victims in Kampuchea, showing the presence of HT-2, a metabolite of T-2 trichothecene toxin, in the blood of two victims.[12] The samples were collected by Dr. Amos Townsend, a

[11] "Rain of Terror." ABC News Closeup, as broadcast over ABC Television Network, Dec. 21, 1981, transcript ABC News, New York.

[12] "Analysis of Blood Samples from Chemical Attack Victims Indicates Probable Trichothecene Exposure," press release, U.S. State Department, Washington, D.C., Jan. 29, 1982.

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retired Air Force physician, who began treating refugees in Thailand in 1980 and became deeply involved in the "yellow rain" issue. In March, Secretary Haig sent a 32-page report to Congress on chemical warfare in Southeast Asia and Afghanistan, providing the most complete and up-to-date information including, for the first time, intelligence reports suggesting direct Soviet involvement—the preparation of Soviet-manufactured chemical items for inspection by Soviet officers, precautions taken in receipt of Soviet crates the Vietnamese said contained "deadly toxin chemicals," and details suggesting heavy chemical contamination in the salvage operation of a ship sunk in the Black Sea en route to Vietnam in 1975.[13]

Also in March, Representative Stephen Solarz (D-New York) held hearings on the subject in the Subcommittee on Asian and Pacific Affairs of the House Committee on Foreign Affairs. In the course of the hearings, he remarked, "I suspect that short of being hit on the head by yellow rain, nothing would convince Mr. Swartzendruber that it was going on." The Congressman remarked to a scientific skeptic that while totally controlled experiments are not always possible in the real world, "that does not relieve us of the responsibility of trying to make judgments about whether these things are going on." At the end of the hearings, Congressman Solarz, scarcely a cold warrior, concluded, "I don't see how a reasonable person can argue with the proposition that this is going on and that things are happening here which shouldn't be happening and which are presumably prohibited by treaty."[14]

When the U.N. Special Session on Disarmament opened in June 1982, the U.N. investigative team on biochemical warfare had just completed its first trip to Afghan refugee camps in Pakistan. It was not scheduled to report until the General Assembly convened in the fall, but *The Wall Street Journal* obtained and published extracts from a 36-page verbatim transcript of the team's interviews with Afghan refugees.[15] These accounts paralleled reports about "yellow rain" from Southeast Asia, and indicated that other chemical warfare agents were also being used. The Afghans, for instance, spoke of "black smoke" which caused incapacitation and unconsciousness;

[13] *Chemical Warfare in Southeast Asia and Afghanistan: Report to the Congress from Secretary of State Alexander M. Haig, Jr., March 22, 1982*, Special Report No. 98, U.S. State Department, Bureau of Public Affairs. Also see transcript of "On-the-Record Briefing on Chemical Warfare in Southeast Asia and Afghanistan," March 22, 1982, U.S. State Department, Bureau of Public Affairs.

[14] *Foreign Policy and Arms Control Implications of Chemical Weapons*, Hearings before the Subcommittees on International Security and Scientific Affairs and on Asian and Pacific Affairs, Committee on Foreign Affairs, U.S. House of Representatives, 97th Cong., 2nd sess., March 30 and July 13, 1982, Washington: GPO, 1982.

[15] "Chemical-Biological Warfare in Afghanistan," *The Wall Street Journal*, June 7, 1982.

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victims found by Soviet troops were summarily shot. The Soviets also used other gases to kill or drive out people hiding in caves or in underground canals common in Afghanistan. (In its final report on December 1, 1982, the U.N. team concluded that the allegations were not proven, but that "circumstantial evidence" suggested "the possible use of some sort of toxic chemical substance in some instances.")[16]

Many heads of government addressed the summer disarmament session. When President Reagan came to speak on June 17, 1982, he had not made a major public statement on "yellow rain" despite the various State Department reports. At the United Nations, he directly accused the Soviet Union and its allies of violating the Geneva Protocol and the Biological Weapons Convention, as well as customary international law. He said that the evidence was "conclusive." He added, "Evidence of non-compliance with existing arms control agreements underscores the need to approach negotiation of any new agreements with care."

In November 1982, Secretary of State George Shultz sent yet another report to Congress, saying "the world cannot be silent in the face of such human suffering and cynical disregard for international law and agreements."[17] The report included the account of a Soviet soldier who defected to the Afghan resistance and described three chemical warfare agents. At its press briefing, the State Department was able to display a Soviet gas mask it reported had been taken off a dead Soviet soldier in Afghanistan and which had proved to be contaminated with trichothecenes. This was the first identification of trichothecenes from Afghanistan, as well as being a far more dramatic piece of physical evidence than a leaf and twig sample.

This time the reaction was acceptance. "The administration has proven out the Soviet pattern by a standard that reasonable people would accept."—*The Washington Post*, December 1, 1982. "There now appears to be sufficient evidence for the world to reach a verdict of guilty."—*The St. Louis Post-Dispatch*, December 3, 1982. "The evidence now accumulated—blood samples, gas masks, testimony from a Soviet defector, a Laotian pilot, and Afghan refugees—indicates that something is definitely going on, Soviet denials to the contrary."—*The Christian Science Monitor*, December 1, 1982. And *The Boston Globe*, December 3, 1982: "The Soviets appear to

[16] *Chemical and Bacteriological (Biological) Weapons: Report of the Secretary-General*, United Nations, New York, Dec. 1, 1982.

[17] *Chemical Warfare in Southeast Asia and Afghanistan: An Update; Report from Secretary of State George P. Shultz*, Special Report No. 104, Nov. 1982, U.S. State Department, Bureau of Public Affairs.

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be on the road to convicting themselves of egregious violations of civilized norms, both the 1925 Geneva Protocol and the 1972 Biological and Toxin Weapons Convention."

V

If the facts of "yellow rain" have recently become accepted, its implications have barely begun to be plumbed. What does it mean that the Soviets have supplied gruesome toxin weapons for use in a perhaps-genocidal campaign against the H'Mong? What does it mean that their own troops in Afghanistan use chemical and toxin agents in what seem to be routine military operations? What does it mean that these actions are clear and callous violations of two existing arms agreements?

To take the most obvious implications first, the discovery of "yellow rain" means that Western armed forces need to get deeply serious about defending themselves against chemical and biological weapons. After the notorious gas attacks of World War I, defense planners have of course recognized a chemical threat, and biological warfare has been a staple of science fiction. But such weapons were (perhaps miraculously) never used in World War II, presumably because the combatants felt mutually deterred. Since the Geneva Protocol had been observed even in total war, it became easy to assume it would probably also be observed in future wars. Defense planners naturally gave some prudent attention to a chemical threat, but surely gave it no high priority.

By now it is abundantly clear that the Soviets are not going to be fastidious about the Geneva Protocol. It is equally clear that they do not share our assessment that biological weapons are of "dubious" military value. Obviously they find chemicals and toxins handy in counterinsurgency operations. Nor is it any consolation from a military (let alone moral) standpoint that so far the weapons have only been used "against unprotected people in remote areas"; it can hardly be assumed they would never be used against white Europeans.

Consider, for example, the extracts from a 1977 East German military manual quoted by Richard Burt, then director of the State Department's Bureau of Politico-Military Affairs, in a 1982 speech.[18] The manual expounds on the use of toxins in warfare, remarking in passing that it is now possible "to produce various toxins synthetically." It describes how toxins can be aerosolized, or

[18] Richard Burt, "A New Future for Security and Arms Control," speech delivered at Tutzing Disarmament Conference, Munich, Germany, March 2, 1982, U.S. State Department, Bureau of Public Affairs, pp. 19–20.

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dispensed with aircraft spray equipment, though "they can be used primarily in microbombs which are launched from the air or in warheads of tactical rockets." It remarks, "When they are used in combat the atmosphere can be contaminated over relatively large areas. We can expect expansion depths of up to 6 kilometers before the toxin concentration drops below lethal concentration 50"—that is, the dosage that will kill half of those exposed will extend over large areas.

What is being described here actually may be what the "neutron bomb" was wrongly imagined to be—a way of killing people and capturing cities, or military installations, intact. Many of the standard Soviet missile systems, including the *Frog*, the *Scud* and the *Scaleboard* and their follow-ons, have not only conventional and nuclear but also chemical capabilities.[19] In a 1981 report for the Institute for Foreign Policy Analysis, Amoretta M. Hoeber, now a Deputy Assistant Secretary of the Army, reports that estimates of the proportion of chemical munitions in the Soviet stockpiles range from a low of 10 to 15 percent to a high of 50 percent.[20]

It bears noting, too, that while we have identified the trichothecenes, we have little idea what other chemical or biological agents we may face. The Afghan reports suggest the use of a wide variety of agents. One seems to cause rapid decomposition of bodies, another apparently induces sleep and incapacitation. Western analysts have little idea what these agents might be. Nor do we understand what mixtures might be used in biological-chemical "cocktails." In congressional testimony, Dr. Watson has said that some of the refugee accounts have included reports of a heavy garlic smell, a notable sign of DMSO (Dimethylsulfoxyd), a chemical known to rapidly penetrate the skin and other body tissues.[21]

Another little-understood aspect of toxin warfare is the possibility of environmental contamination and long-term health effects. Since 1977, H'Mong refugees in the United States have experienced an epidemic of sudden night deaths, in which healthy young males die in their sleep of what appears to be cardiac arrhythmia.[22] Because the medical histories of the dead show no special incidence of exposure to "yellow rain" attacks, investigators at the Centers for

[19] Harold Brown, *Annual Report to the Congress, Fiscal Year 1981*, Washington: GPO, 1981, p. 92.

[20] Amoretta M. Hoeber, *The Chemistry of Defeat: Asymmetries in U.S. and Soviet Chemical Warfare Postures*, Special Report: December 1981, Cambridge, Mass.: Institute for Foreign Policy Analysis, Inc., p. 43.

[21] *Foreign Policy and Arms Control Implications of Chemical Weapons*, *op. cit.*, pp. 68–69.

[22] See "Sudden, Unexpected, Nocturnal Deaths among Southeast Asian Refugees," *Morbidity and Mortality Weekly Report*, Centers for Disease Control, Dec. 4, 1981, Atlanta, Ga., and William Kucewicz, "Asian Refugees: Death in the Night," *The Wall Street Journal*, March 1, 1982.

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Disease Control are disinclined to accept the H'Mong belief that these deaths are associated with "yellow rain." However, there is serious scientific speculation associating trichothecenes with heart symptoms, and apparently the mycotoxins are stored in the body rather than rapidly purged. At least one prominent pathologist, Dr. Bernard Wagner of Columbia University, suggests vigorous investigation of the possibility that the deaths could be caused by long-term effects of otherwise unnoticed exposure to trichothecenes.[23]

We cannot assume, finally, that Soviet preparations for biological warfare are confined to toxins. The Sverdlovsk incident suggests otherwise. Soviet émigrés brought reports of an explosion in April 1979 at Military Compound 19, classified by U.S. intelligence as a site of Soviet biological weapons activity. The explosion reportedly released a cloud that caused an epidemic of anthrax in the region. The Soviets have resisted U.S. démarches for more information on the incident, saying that there was an outbreak of anthrax, but that it was caused by tainted meat. The description of such symptoms as sudden onset of disease and respiratory difficulties, however, suggests much more deadly pulmonary anthrax, caused by inhalation of the spores and previously seen almost exclusively in wool-sorting sheds. While the incident has never been fully resolved, it does suggest the possibility of large stores of living bacteriological agents.[24]

Western armies are grossly unprepared for these threats. The best illustration concerns fighting vehicles. After the 1973 Middle East war, U.S. defense officials had an opportunity to examine Warsaw Pact tanks and armored personnel carriers supplied to Egypt and captured by Israel. They found that these vehicles were equipped with integral seals and air filters that provide a "positive atmosphere"—that is, enough air pressure within the vehicle that any leakage is toward the outside.[25] In short, by the early 1970s the Soviets were preparing their equipment to operate in a chemical environment.

It is symptomatic of the inattention that the United States has shown toward chemical and biological warfare that the M-1 tank now coming off the production lines, at a price of $1.8 million per

[23] Bernard M. Wagner, "A Pathologist's Analysis of Yellow Rain," *The Wall Street Journal*, June 17, 1982.

[24] See *The Sverdlovsk Incident: Soviet Compliance with the Biological Weapons Convention?*, Hearing before the Subcommittee on Oversight of the Permanent Select Committee on Intelligence, U.S. House of Representatives, 96th Cong., 2nd sess., May 29, 1980, Washington: GPO, 1980; *Soviet Biological Warfare Activities*, Report of the Subcommittee on Oversight, Permanent Select Committee on Intelligence, U.S. House of Representatives, 96th Cong. 2nd sess., June 1980, Washington: GPO, 1980; and Leslie H. Gelb, "Keeping an Eye on Russia," *The New York Times Magazine*, Nov. 29, 1981.

[25] Hoeber, *op. cit.*, pp. 37–38.

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copy, is not equipped with a positive atmosphere (though this capability is now planned as a "block" improvement in 1985). In the new Bradley armored personnel carriers, troops in a chemical environment are expected to wear individual protective suits, though such suits remain in short supply. These are not isolated instances. The Hoeber report cited Pentagon studies of chemical defenses that found them "grossly inadequate." The United States lacked, it concluded, "a protective posture capable of providing for force survival—to say nothing about providing for continued operations during a war which included chemical use."[26]

Beyond the realm of purely defensive measures lies the problem of deterrence. What capabilities do Western armies need to deter biological and chemical attacks? Should our doctrine be deterrence in kind, and, if so, should we develop toxin weapons? If we are not to deter in kind, should we have a doctrine of responding to chemical-biological attack with nuclear weapons—perhaps under the rubric of the Soviet term "weapons of mass destruction"? Any such doctrine would represent a dangerous lowering of the nuclear threshold, and for this reason would be unlikely to pose an effective deterrent threat.

Probably the least unsatisfactory solution is to maintain a separate chemical deterrent, which could be used in retaliation for either chemical or biological attacks. This in fact is current declaratory doctrine. The U.S. deterrent consists of large stocks of nerve gases produced prior to 1969, when President Nixon renounced biological weapons and ceased production of new chemical weapons. The Pentagon has periodically proposed to develop new "binary" chemical weapons, safer to use and handle than present weapons because lethal nerve gases are not produced until two nonlethal chemicals are mixed during flight. These proposals have been rejected, most recently when Congress turned down a Reagan proposal for their development in 1982. While defensive measures may have an even higher priority for chemical-warfare funding, "yellow rain" surely adds a new salience to the chemical-biological threat, and makes it plausible to believe that a 1960s-era deterrent may need modernizing to preserve a capability that looks usable and therefore presents a credible deterrent.

VI

In time the military problems can be addressed, but "yellow rain" raises even more fundamental questions about the future of arms

[26] *Ibid.*, p. ix.

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agreements with the Soviet Union. For the easy use of such barbaric weapons and the cavalier disregard of existing arms agreements says much about the character of the current Soviet elites. Of course, not even the most enthusiastic American proponents of arms control are willing to rely on trusting the Soviets; even the "nuclear freeze" movement insists that a freeze be "verifiable." But, especially in the light of our experience with the Biological Weapons Convention, we have to ask what this word means.

Debates on verification of strategic arms agreements have had a certain sterile quality. American monitors discover that, say, the Soviets have started to encode data transmitted back from new missiles under test. Critics of the Soviets contend this violates the strategic arms pacts, which prohibit interference with "national technical means" of verification. This includes electronic monitoring, they contend, and the test data is essential to understanding the capabilities of their new missiles. Defenders of arms control reply that the agreements don't really quite prohibit what the Soviets are actually doing, and that anyway it's not that important. The argument revolves not around what the Soviets are doing, but around what the agreement means.

"Yellow rain" is different. By now the debate on the quality of evidence is from all appearances closed, at least in American circles. Persuading public opinion among the allies may take more time; a recent report in *The Observer* suggests this may require repeating all of the hesitations and mistakes that marked development of U.S. opinion.[27] Perhaps there is also still room for legalistic argument, along the lines of the East German hint that the toxins may be made synthetically and are thus merely chemical weapons (whose use, of course, would still violate the Geneva protocol), or along the lines that what is happening in Afghanistan is not technically a war. But there seems little disposition to follow any such line of reasoning, and, among those who have followed the debate, there is no great argument about the facts of what is happening in Southeast Asia and Afghanistan. The reality is that we have here arms control violations that are unambiguous, militarily important and totally cynical.

The record of how these violations were detected is at best an equivocal portent for future arms agreements. The violations involved actual battlefield use of the forbidden weapons, yet were detected and publicized only after many years. Even then, their exposure required heroic efforts by a handful of individuals, many of whom—Dr. Hamilton-Merritt, Dr. Townsend, not to mention

[27] "'Yellow Rain' Evidence Fake, Scientists Say," *The Observer* (London), March 6, 1983.

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the H'Mong—have felt desperately frustrated at being ignored or disbelieved even while people were being killed in most gruesome ways. To make much difference, verification would presumably require that outlawed weapons be detected before they are actually used, and on that the "yellow rain" episode provides cool comfort.

This experience comes atop several other new difficulties for verification. Dependence on signals intelligence, for example, has been called into question by the discovery that Geoffrey Prime, a linguist at the British code-breaking center at Cheltenham, had been a Soviet spy for 14 years. He was in a position to warn the Soviets that their codes were broken, or to help them plant misinformation. His conviction warns against putting too much confidence in our ability to intercept and read Soviet communications signals.

More fundamentally, in the negotiations on strategic and intermediate missiles, the trend of technology is away from large and easily detected fixed missile sites, and toward smaller and more mobile weapons. Many weapons in this new generation will be subject to concealment in a geographically large and socially closed nation. Verification of limits on them will be less like verifying missile silos, and more like trying to detect chemical and biological violations before the weapons were actually used.

Not surprisingly, there has recently been a new burst of talk about on-site inspection of arms agreements. We still have ongoing Soviet-American talks on a chemical weapons treaty, envisioned back in 1972 as accompanying the Biological Weapons Convention. To verify any chemical treaty, U.S. negotiators recently proposed an on-site inspection plan that Under Secretary of State Lawrence Eagleburger called "tough but fair." Mr. Eagleburger added that a treaty would require "a major revision of Soviet military strategy, which accepts use of these weapons."

For their part, the Soviets have recently dropped hints that they may be willing to open some of their nuclear power reactors to inspections by the International Atomic Energy Agency, and this is being seen as a breakthrough for on-site inspection. The IAEA is intended to police the Nuclear Nonproliferation Treaty, and is not an especially happy model for the future of on-site inspection. IAEA inspections, for example, require appointments made well in advance. Albert Wohlstetter has demonstrated that a nation could comply with IAEA requirements and still be within hours of assembling a nuclear weapon.[28] There is plenty of room to doubt that a

[28] Albert Wohlstetter *et al.*, *Swords from Plowshares: The Military Potential of Civilian Nuclear Energy*, Chicago: University of Chicago Press, 1979, pp. 25–26.

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few inspections on this model would suffice to give us high confidence in detecting the kind of cheating that has taken place with the Biological Weapons Convention. Final judgments will of course depend on what verification arrangements, if any, U.S. and Soviet negotiators can reach. But even on-site inspection is not a panacea.

The warning of the "yellow rain" episode is that the Soviets have the will and the cynicism to engage in determined and calculated programs of cheating on arms agreements. We must now be sure that our verification efforts take this fully into account, and it strains the imagination to come up with provisions that satisfy that need and still might be negotiable with the Soviets. Are they really going to allow us to inspect Military Compound 19 at Sverdlovsk? Will they allow us to inspect other installations where satellite photos show animal pens that for some reason must be enclosed in military-style double fences? What about light industrial buildings that could conceal cruise missiles? Basically, do we expect them to cease to be a closed society? Conceivably there are answers to these questions, but the usual rather bland talk of verification is scarcely adequate to deal with detection problems that arise when the Soviets take quite so cynical an attitude as they have with "yellow rain."

Our experience with the Biological Weapons Convention raises a second aspect of the verification problem that may prove even more acute. We have by now ascertained the facts. Indeed, despite the frustration of those involved from the beginning, in many ways the surprising thing is not how badly the various bureaucracies behaved when faced with possible violations, but how well. The Carter Administration had staked much on arms agreements with which the revelation of "yellow rain" was bound to interfere. Yet a surprising amount was done to collect evidence and even to make it public by creating a U.N. investigation. The United Nations, if you accept its considerable inherent limitations, also made its contribution to bringing the facts to light. We entered the Biological Weapons Convention knowing it to be one of the least verifiable arms proposals around, but in the end we did succeed in verifying it. The Soviets are cheating. But the problem remains, what do we do about it?

The problem "After Detection—What?" was foreseen in a brilliant 1961 article in this journal by, curiously enough, Fred Charles Iklé.[29] He warned that deterrence of arms-pact violations requires not only that a potential violator must suffer the risk of detection, but also that he may lose from the victim's reaction to it. Mr. Iklé

[29] Fred Charles Iklé, "After Detection—What?", *Foreign Affairs*, January 1961, pp. 208–220.

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added that "Democratic governments might experience serious political difficulties in reacting effectively to a detected evasion."

The difficulties envisioned in the 1961 article read like the history of the "yellow rain" episode. The evidence of the violation may be equivocal, or based on secret intelligence. The government may feel unsure of its ability to persuade public opinion, which in turn may be unwilling to back decisive measures such as large increases in military spending. The government may feel too much publicity on the violation may interfere with other promising policies. Finally, in an alliance, allies must be persuaded, and will further have all of the same political difficulties with their domestic opinion.

This precisely describes the current stage on "yellow rain." The American government has for over a year repeatedly asserted that the Soviets are violating arms agreements. By now it has persuaded elite opinion in the United States and, almost certainly, allied governments. But it has yet to find a course of action that promises to impose significant costs on the Soviets for these violations, and thus to deter them from equally cynical violations of other present or future arms agreements.

Indeed, for many of the same reasons outlined by Mr. Iklé, the U.S. government seems deterred from any vigorous pursuit of even the most obvious opportunities to at least embarrass the Soviets in a persistent and determined way. The Biological Weapons Convention provides procedures for taking compliance issues to the U.N. Security Council. And the United States has the option of suspending its other arms negotiations with the Soviets, on the commonsense grounds that you get disputes on old contracts settled before you enter new ones.

Even the Reagan Administration, often criticized as too hawkish on arms control issues, has refrained from such measures. A noisy Security Council debate, concluding with a Soviet veto, has been judged to be too confrontational and propagandistic, too likely to interfere with efforts to keep U.S. and particularly European public opinion on the Administration's side. The Administration recognizes, of course, that to many citizens an agreement on nuclear arms seems an overriding goal, not to be postponed for whatever reason. And, of course, President Reagan has been under pressure from the nuclear-freeze movement, from Senators opposing his nominee as the head of the arms control agency, and from European allies to be more, not less, accommodating to the Soviets in the strategic and intermediate-missile talks.

Even some within the Administration who are skeptical about the chances of reaching a sound agreement with the current Soviet

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leadership feel bound by force of public opinion to pursue the negotiations. A Gallup Poll in September of 1982 found that 49 percent of the public felt violations of chemical treaties should not interfere with nuclear arms talks, while 36 percent of the public felt violations were reason to suspend the talks. The Gallup analysis remarked that polls have consistently shown a strong preference for "talks" with the Soviets, and "that less than half would favor continuing talks is indicative of a strong reaction to the 'yellow rain' charges."[30] These percentages might change if "yellow rain" were as well publicized as the nuclear freeze.

Surely the stance that the Soviets are violating existing treaties but that we must negotiate new ones with them presents something of an incongruity, at the very least demanding a justification or explanation not yet offered by either the Administration or the more enthusiastic proponents of arms agreements. It will be interesting and instructive to see how this is resolved or justified over time. Perhaps the "yellow rain" charges will yet simply fade away as did earlier and less-documented reports of Soviet-backed chemical warfare in Yemen in the 1960s. (The Soviets do not seem to be cooperating, however, through any slackening of their biochemical assaults in Afghanistan.) Perhaps the panoply of arms talks will fail to reach agreement on substantive issues like deep cuts in missile numbers, so that the verification issue raised by "yellow rain" will never reach the forefront of negotiation. Perhaps future arms agreements will be reached, but their ratification will be dogged by the record the government has built on "yellow rain." Or perhaps the Reagan Administration will yet seize upon the "yellow rain" issue to rebut domestic and European critics of its arms control posture, protesting that the salient problem in arms negotiation is not American inflexibility but Soviet duplicity.

Arms agreements are not after all the only way of pursuing national security interests; a balance of power to deter aggression can be maintained even without treaties. But nearly all Americans would like to see the balance ratified in formal agreements; our national tendency is to seek the rule of law. While the record of disarmament agreements during the interwar period is not encouraging, and while a case can be made that recent arms agreements have sometimes been destabilizing by encouraging weapons systems like multiple warheads, it is possible to find successful arms agreements in the historical record. The Rush-Bagot agreement of 1817 and the Treaty of Washington of 1871 demilitarized the Great

[30] "Public Perceptions of Yellow Rain: A Wall Street Journal/Gallup Survey," *The Wall Street Journal*, Sept. 15, 1982.

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Lakes and the American-Canadian border, and arguably removed real or potential venom from the Canadian-American relationship. Surely all Americans would like to see our relations with the Soviet Union codified in a similar way.

Unhappily, that prospect seems to recede as the "yellow rain" episode is studied. The hopes expressed in Mr. Iklé's 1972 testimony have proved less prescient than the fears expressed in his 1961 article. Indeed, the question is what stance toward the Geneva Protocol and the Biological Weapons Convention is most likely to advance the goal of meaningful arms agreements. As of now, the Soviets have brazenly violated existing arms agreements, and have been called to account only in the most limited way. If that is the lesson they carry away from "yellow rain," it will be no service to the future prospects of arms control.

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L. Bruce van Voorst

THE CHURCHES AND NUCLEAR DETERRENCE

Because the nuclear issue is not simply political, but also a profoundly moral and religious question, the Church must be a participant in the process of protecting the world and its people from the specter of nuclear destruction.
—Joseph Cardinal Bernardin

On any single Sunday, almost as many Americans attend church services as go to all the major sporting events held in this country during an entire year. From its very origins, the United States has claimed a belief in a unique ethical foundation, a nation, as G.K. Chesterton said, "with the soul of a Church." Waves of immigrants assimilated the conviction that there exists a peculiarly American covenant with God and that the destiny and guidance of this nation, both in personal and national affairs, derives from that special compact. What was true in peace was assumed in war as well. The persuasion runs deep that America carries a moral banner into battle.

President Ronald Reagan expressed this conviction in his speech last June to the U.N. Special Session on Disarmament:

> The record of history is clear: citizens of the United States resort to force reluctantly, and only when they must. We struggled to defend freedom and democracy. We were never the aggressors. America's strength and, yes, her military power have been a force for peace, not conquest; for democracy, not despotism; for freedom, not tyranny.

For the most part, these ethical assumptions have been accepted and propagated by the nation's churches. Whether the historical record shows America living up to them is of course another question. Religious leaders have often been in the forefront of opposition to particular wars, notably the Vietnam War, usually on the grounds that the practical effect, if not the stated purpose, of these wars did not meet the very criteria stated by President Reagan.

But, with the exception only of the Quakers and other small historic "peace" churches, all congregations in America—Catholic,

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Protestant and Jewish—historically have supported the nation's readiness to engage in war. They have proudly sent their children into military service—and their chaplains to minister to them. And, with the same limited exception, no religious groups have ever challenged either the need for adequate defense or the basic defense policies of the nation or government.

This support continued right into the nuclear era; almost all of the running debate on atomic weapons since 1945 has been conducted on practical issues, with much of it confined, as James Woolsey has pointed out, to a nuclear "priesthood" whose task it was to serve as "intermediaries between ordinary people and the gods." J. Robert Oppenheimer lamented, as late as 1960: "I find myself profoundly anguished over the fact that no ethical discourse of any nobility or weight has been addressed to the problem of atomic weapons."

Thus it comes as something of a surprise to see the nation's churches now edging toward a direct confrontation with the Administration over nuclear weapons and deterrence policy. A special commission appointed by the National Conference of Catholic Bishops has drafted a proposed pastoral letter sharply redefining traditional Catholic teaching on nuclear issues. This draft Pastoral, already twice debated by the full conference of Bishops, is now being revised for submission to another Bishops' conclave in Chicago in May.[1] Similar movements, also gathering wide support, are developing in the Protestant churches and to some extent the Jewish community as well. Given this breadth of support, no government in Washington can afford not to pay attention; no statesman can be indifferent to the debate. For in effect the churches are challenging the cornerstone of America's strategic doctrine, with enormous ramifications not just for U.S.-Soviet relations, but for America's relations to its European allies as well.

Why has this great church-led moral concern erupted at this time? In strictly technical terms, there is precious little "new." Back in 1950 the Department of Defense published *The Effects of Nuclear Weapons* (edited by Samuel Glasstone and Philip Dolan), which accurately described the general destructiveness of nuclear weapons. The considerable technical advances since then, in miniaturization and nature of yields, as well as the enormous increase in the numbers of weapons and in the sophistication of delivery systems, have not added significantly to the awesome picture described by

[1] "The Challenge of Peace: God's Promise and Our Response," quoted in *Origins*, the documentary service of the National Catholic News Service. Page citations herein are from the second draft, which is contained in *Origins*, Volume 12, No. 20, October 28, 1982.

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Glasstone and Dolan. Within the debate, knowledgeable experts have long argued that 100 or so nuclear weapons are enough to destroy society as we know it.

Historically, two factors account for the timing of the contemporary debate. First is the growing awareness of the end of American strategic superiority. The oft-asked question whether America would have dropped a bomb on Hiroshima if the Japanese could have threatened San Francisco with nuclear devastation suddenly becomes germane. The reality of America's nuclear vulnerability—now publicly confirmed by Presidents from Richard Nixon to Ronald Reagan—has become a steadily growing part of the public consciousness.

Another factor explaining the current nuclear activism, of course, has been the rather incautious approach to strategic nuclear issues on the part of the Reagan Administration, particularly with respect to the notion of "prevailing" in a nuclear conflict and the merit of civil defense.[2] Whether National Security Decision Directive (NSDD) 13 of November 1981 actually goes much beyond the old Presidential Directive (PD) 59 of the Carter Administration in projecting a "winnable" war can be known only to those privy to the documents, but certainly the cavalier attitude of many senior Reagan Administration officials toward nuclear issues has contributed significantly to the widespread fears outside government.

Whatever the explanation, however, many contemporary pronouncements by the clergy suggest a newly widespread determination among the churches to challenge public policy on nuclear issues. As one priest has observed, compared with the nuclear issues the other controversies within the Church "look like a child's sparkler on the Fourth of July." The history of American church involvement in politics, moreover, suggests that any Administration in Washington will ultimately be coerced into paying heed. Abolition was a product of the churches' moral ire; Prohibition came and went as a Protestant (particularly Methodist) campaign; Prot-

[2] For chilling evidence of this sort of talk, see especially Robert Scheer, *With Enough Shovels: Reagan, Bush and Nuclear War*, New York: Random House, 1982. In all historical fairness to Mr. Reagan, of course, a certain determination to "prevail" in a nuclear exchange has long been a central part of American strategy. Only 51 days after the surrender of Japan, the Pentagon's Joint Intelligence Staff prepared a report, "Strategic Vulnerability of Russia to a Limited Air Attack," that included nuclear bombing of 20 Russian cities. Other plans in the mid-1950s called for attacks which would leave the Soviet Union "a smoking radiating ruin at the end of two hours." Access to government files under Freedom of Information legislation has also revealed "Operation Dropshot," a plan for conducting nuclear war against the Soviet Union. Certainly nuclear deterrence was established U.S. policy at least by 1953, and was initially based on an assumption of U.S. nuclear superiority. This was particularly evident in the doctrine of "massive retaliation" enunciated by Secretary of State John Foster Dulles the following year. See Michael Mandelbaum, *The Nuclear Question*, New York: Cambridge University Press, 1979, p. 50.

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estant church historian Martin Marty calls the ill-fated Kellogg-Briand Treaty "virtually a Protestant document." Subsequently, in issues from civil rights to Vietnam, the churches have shown themselves to be a powerful, and to some extent irresistible, force in American affairs. In this context, then, the current course of the Catholic Church and many of the Protestant denominations, if continued, may result in the most direct intervention in strategic and foreign policies in this nation's history. One can suggest more: because of their enormous memberships,[3] organization, and dedication, the role of the churches will become critical in determining the political impact and outcome of the "nuclear movement" in the United States.

War has never been an easy matter for the churches. The Bible is replete with apparent contradictions about whether to turn the other cheek or to fight aggressors. Early Christians were pacifists for almost four centuries until a fundamental justification for Christian war took shape under Emperor Constantine. Gradually, through St. Augustine and St. Thomas Aquinas, a Christian rationale for going to war (*jus ad bellum*) emerged, as well as guidelines for conducting war (*jus in bello*). The extremes to which doctrine can be twisted were demonstrated in the early Christian injunction against using the newly developed crossbow against Christians. Crossbows, according to doctrine, were to be used only against infidels. Similar intellectual rationalizations served throughout most of subsequent history to enable Christians (and Jews) to serve God while simultaneously keeping a firm grip on the sword. Even two major world wars in this century have failed to provoke an enduring public debate.

America was no exception. Professor Robert W. Tucker has pointed out that Americans traditionally asked few questions about "just" war, and indeed formulated a "just war" doctrine characterized by such simplicity that it readily lends itself to "caricature."[4] American use of saturation bombing of civilian populations during World War II and of the atomic bomb has posed many ethical questions. Nonetheless, America's normal posture of going to war only in self-defense or in pursuit of legitimate goals comes close to conforming to the *jus ad bellum* requirements. Now, however, church activism is raising serious concern about the ethics of con-

[3] The Catholic population of the United States is over 51 million; the Protestant 71 million; the Jewish 5.8 million. These figures are based on slightly different methods of compilation. They are from the *Yearbook of American and Canadian Churches, 1982*, published by the National Council of Churches (Abingdon Press).

[4] Robert W. Tucker, *The Just War: A Study in Contemporary American Doctrine*, Baltimore: Johns Hopkins Press, 1960, p. 11.

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ducting—or even threatening—any sort of nuclear war, and is challenging the assumptions of a national strategy in which weapons conceived for deterrence become possible instruments for devastation of the world.

II

In this context, the Catholic Bishops' draft Pastoral letter represents by far the most radical effort by any American church to define moral standards for the nuclear era. It is the logical successor to a number of far more modest efforts by the Catholic Church, the most direct of which was Vatican II's declaration that Catholics are forced by the nuclear era "to undertake a completely fresh reappraisal of war." The current document was commissioned at the annual Bishops' meeting in November 1981, after an overpowering display of support for the plea by liberal Bishop Thomas Gumbleton of Detroit. He asked for an initiative in defining American Catholic responsibilities in the light of the Reagan Administration's program of massive arms buildup and talk of winnable, limited nuclear war.

The ad hoc five-member Bishops' Commission named by Conference President Archbishop John Roach of Minneapolis to produce a draft on nuclear war issues was what political observers would call "balanced," and included Bishop Gumbleton, an acknowledged pacifist, and Bishop John O'Connor of New York, the Auxiliary of the Military Vicar (Terence Cardinal Cooke) and, as such, particularly identified with the welfare of the nation's military. Archbishop—now Cardinal—Joseph Bernardin of Chicago was named Chairman, an acknowledgment both of his intellectual capabilities and his well-known administrative skill in running committees. Charged with presenting a draft for consideration of the Bishops at a meeting set for June 1982, the Commission (sitting with representatives of the conference of major superiors of men's religious orders and the leadership conference of women's religious orders) took testimony from 35 experts in and outside of government, met 14 times, prayed (by their own account) often, and produced a document on schedule. Aware of the enormity of their task, the Bishops at the June meeting considered this to be a first draft and set to work on a second version. Again the Bishops received comments (over 1,000 pages) from hierarchy and lay persons (Catholic and, in some cases, non-Catholic) throughout the nation and abroad.

The second draft, submitted to the 285 Bishops meeting on

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November 1982 in the ballroom of a Washington hotel, begins with a powerful assertion, drawn in part from Vatican II documents such as "Gaudium et Spes" and from recent Papal Encyclicals—principal among them the 1963 "Pacem in Terris"—that the nuclear issues under discussion are in fact new to mankind. This in itself reflects a considerable evolution in the hierarchy's thinking. Well into the 1950s Pope Pius XII had argued that though the nuclear threat was quantitatively new, it was not qualitatively so. He also denied the faithful any discretion in these matters related to the state.[5] As though to emphasize the great change, the authors of the draft Pastoral cite extensively Pope John Paul II's comments during his February 1981 visit to Hiroshima:

> In the past, it was possible to destroy a village, a town, a region, even a country. Now, it is the whole planet that has come under threat. This fact should fully compel everyone to face *a basic moral consideration: from now on, it is only through a conscious choice and then deliberate policy that humanity can survive.*[6]

Having emphasized that there is a new magnitude to the challenge, the draft Pastoral offers a thorough review and interpretation of traditional Church teaching on war. This exegesis points out clearly that Catholic teaching has been characterized by two essentially contradictory forces: pacifism and "just war" theory. The Pastoral as it now stands in many respects reflects a tug of war between these two schools of thought.

On the former, the document notes that "From the earliest days of the Church we have evidence of Christians moved by the example of Christ, His life and teaching, committing themselves to a nonviolent lifestyle" (p. 311). Many similar passages reflect a strong stream of pacifist sentiment among contemporary Catholic clergy; among the hierarchy, Bishop Gumbleton, Bishop Leroy Matthiesen, Archbishop Raymond Hunthausen, and 57 other Bishops are members of the Catholic peace organization, Pax Christi, and these key individuals argued successfully for the strengthening of the pacifist passages. (Indeed, sources close to the Commission suggest that without these passages the document as a whole would never have been accepted by the Pax Christi element, or many others.)

[5] For example, Pope Pius XII declared in his Christmas Message in 1956: "If, therefore, a body representative of the people and a government—both having been chosen by free elections—in a moment of extreme danger decide, by legitimate instruments of internal and external policy, on defensive precautions and carry out the plans which they consider necessary, they do not act immorally; so that a Catholic citizen cannot invoke his own conscience in order to refuse to serve and fulfill those duties the law imposes." *The New York Times*, December 24, 1956, p. 5.

[6] John Paul II, "Address to Scientists and Scholars," *Origins*, Volume 10, 1981, p. 621. Italics in original.

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In describing the "just war" position, the authors are careful to point out that its limited justification of war does not conflict with the pacifist position that the taking of life is essentially wrong. But, drawing deeply on St. Augustine's teachings, they conclude that in the sinful world that unfortunately still exists the restraint of evil and the protection of good *might* under certain circumstances justify the resort to arms. Although the presumption remains against the use of force, for those rare instances, meticulously circumscribed, the parameters of allowable Christian participation in a "just war" are outlined.

The document reaffirms four central criteria: a just war must be declared by "competent authority," must involve a "just cause," with the "right intention" (i.e., pursuit of peace and reconciliation), and must be a "last resort" after all peacemaking efforts have failed. These criteria remain widely valid and essentially unaltered by the onset of the nuclear era.[7]

Three other central elements of traditional "just war" theory, however, appear to be directly challenged by the nuclear age: probability of success, proportionality (the requirement that resort to arms be proportional to the threat), and discrimination (a flat prohibition on actions aimed at civilians or noncombatants). The draft Pastoral takes a clear stance on each of these elements and concludes that they raise serious questions not only about the conduct of nuclear war but about whether the use of nuclear weapons is morally permissible at all.

In line with this approach, the arguments presented by the Bishops at their Washington meeting in November indicated a preponderance of opinion rejecting outright pacifism in favor of "just war" properly understood, but with considerable uneasiness over whether "probability of success" can be meaningful in a nuclear exchange, or whether nuclear war can in any fashion be squeezed into the framework of the requirements for both proportionality or discrimination. Few observers on either side of the argument denied that nuclear war as currently conceived would immeasurably violate both these principles. The exceptions might be Archbishop Philip Hannan of New Orleans, who is particularly vocal on the dangers of the Soviet system as a fate worse than death,

[7] In recent times, Pope Pius XII drew the conclusion that the requirement of "just cause" is a proscription on "aggressive" war under any circumstances. See, for example, Francis J. Connell, "Is the H-Bomb Right or Wrong?," *The Sign*, March 1980, pp. 11–13. Professor Paul Ramsey of Princeton University, Department of Religion, a leading authority on just war doctrine, calls this "probably the most significant alteration in the formulation of the just war theory that has been brought about by the enormous destructiveness of modern warfare." Ramsey, *War and the Christian Conscience*, Durham (N.C.): Duke University Press, 1961, p. 81.

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and a few isolated spokesmen who suggested that for the Christian the real issue is not life but salvation.[8]

The draft Pastoral particularly singles out the traditional principle of discrimination, prohibiting military actions aimed at civilians. The injunction is not qualified and the authors put it in italics for emphasis: "*Under no circumstances may nuclear weapons or other instruments of mass slaughter be used for the purpose of destroying population centers or other predominantly civilian targets*" (p. 314).

Although this portion of the text was not debated at length at the Washington meeting, its implications for strategic nuclear doctrine could be very significant. For at least a decade there has raged within the nuclear "priesthood" an intense controversy as to whether the deterrent posture of U. S. strategic nuclear forces should continue to be based on "mutual assured destruction," which envisages the threat of attack on population centers and in effect, in the words of two of its own supporters, "holds the entire civilian populations of both [the United States and U.S.S.R.] as hostages."[9]

This doctrine—which for a long period dominated U.S. strategic thinking—has been defended on the ground that its sheer horror makes nuclear war far less likely. On the other hand, it has been vigorously attacked, in part on moral grounds, by advocates of "counterforce" doctrines that would put primary emphasis on military-related targets and thus "retain the use of nuclear weapons on the battlefield or even in controlled strategic war scenarios, while sparing the general civilian population from the devastating consequences of nuclear war."[10] The advocates of "mutual assured destruction" counter that such war-fighting scenarios are unrealistic in practice, would involve vast civilian casualties in any event, and

[8] Archbishop Oscar Lipscomb of Mobile, Alabama, expressed one version of this with his comment that the continued existence of the planet alone is not necessarily an absolute good, and that its destruction might not be the worst evil imaginable. "We seem to assign the human species itself a right to eternity. This is certainly not the 'biblical vision of the world at the heart of our religious heritage.' The worst evil that can befall us is not the loss of our life, or of even all human life. It is sin and the consequent loss of that life in the Father through Christ by means of the Spirit that we rightly call 'life everlasting.' Should this world and our species remain in such a way that such life in the Father is not possible to the generations that would follow, then we have threatened not just the sovereignty of God over the world, but the victory of Christ over sin and death." *The New York Times*, November 19, 1982, p. D-15. Some echo of this could be heard among other bishops, but there was certainly no widespread acceptance either of this view or the notion, heard as well in corridor talk, that a nuclear holocaust might in fact be the biblical Armageddon or the apocalypse, e.g., of *Apocalypse*, 6:12–13: ". . . and there was a great earthquake, and the sun became black as sackcloth of hair; and the whole moon became as blood. And the stars of heaven fell upon the earth, ..." (Douay version; in the Revised Standard version the analogous passage is in *Revelation*.)

[9] Spurgeon M. Keeny, Jr. and Wolfgang K. H. Panofsky, "MAD versus NUTS," *Foreign Affairs*, Winter 1981/82, p. 288.

[10] *Ibid.* An early presentation of this thesis is an article by Fred Charles Iklé, "Can Nuclear Deterrence Last Out the Century?," *Foreign Affairs*, January 1973, pp. 267–85.

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above all tend to increase the possibility that nuclear weapons may in fact be used.[11]

It is not clear whether the authors of the draft Pastoral intended to take a position on this issue. They face something of a dilemma. While their rejection of attacks on civilian populations—with which the Administration concurs—clearly rules out many attacks usually associated with "mutual assured destruction," they are ambivalent on defining the appropriate use of the nuclear arsenal. Other portions of the draft denounce "hard kill" weapons as "inadmissible," noting that the MX missile "might" fit in this category, and declare it immoral to pursue a nuclear war-fighting capability. The cumulative effect of these strictures is surely to make it extremely difficult for any U.S. Administration to frame a practical doctrine of strategic nuclear deterrence.

Even more controversial is the draft Pastoral's flat prohibition on the initiation of nuclear war. Again, the authors add italics for emphasis: "*We do not perceive any situation in which the deliberate initiation of nuclear warfare, on however restricted a scale, can be morally justified. Non-nuclear attacks by another state must be resisted by other than nuclear means*" (p. 314). This proscription, of course, intrudes even more directly on contemporary nuclear strategic debate. It appears to align the Bishops with those who have challenged the threat or use of nuclear weapons in response to conventional attack against NATO, and who have urged moving toward a doctrine of "no first use" in such circumstances. The issue goes to the heart of longstanding NATO deterrence doctrine, and lies at the core of U.S. relations with its European allies, which along with the Reagan Administration have continued to reject the idea of a "no first use" pledge.[12]

The proscription on "first use" leads to a third issue in the current debate—that of "limited nuclear war." Would these injunctions still leave open the possibility of using nuclear weapons in a "limited exchange?" Barely so, the draft Pastoral concludes after considering a wide range of scenarios, questioning whether the senior leadership would have the necessary information, whether field commanders could retain their cool, and whether the casualties even in a "limited" nuclear war would not run into the millions. The draft concludes: "This cluster of questions makes us skeptical about the real meaning of limited" (p. 315).

[11] Keeny and Panofsky, *loc. cit.*

[12] See McGeorge Bundy *et al.*, "Nuclear Weapons and the Atlantic Alliance," *Foreign Affairs*, Spring 1982, pp. 753–768; Karl Kaiser *et al.*, "Nuclear Weapons and the Preservation of Peace: A German Response," *Foreign Affairs*, Summer 1982, pp. 1157–1170.

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Thus, the draft Pastoral argues that the "no" to nuclear war "must in the end be definitive and decisive" (p. 313). But how to act in a sinful world, in which nations are threatened, and in which adversaries possess nuclear weapons? The draft Pastoral is extremely sensitive to this issue, in effect the moral justification of nuclear deterrence itself.

> The political paradox of deterrence has strained our moral conception. May a nation threaten what it may never do? May it possess what it may never use? Who is involved in the threat each superpower makes: government officials? Or military personnel? Or the citizenry in whose "defense" the threat is made (p. 313)?

The notion of deterrence, the draft Pastoral notes, existed as well in the pre-nuclear age, and previously was not widely challenged as doctrine. But, by its very nature, nuclear deterrence envisions the likelihood of disproportionate retaliation. The problem is not nuclear deterrence as such, therefore, but the manner in which deterrence is supposed to function. The comments on this point are so central that they deserve full citation:

> The moral questions about deterrence focus on five issues: 1) the *possession* of weapons of mass destruction; 2) the accompanying *threat* and/or *intention* to use them; 3) the declared, or at least not repudiated, willingness to *use such weapons on civilians*; 4) the moral significance of the *prevention of use* of nuclear weapons through a strategy which could not morally be implemented; and 5) the *continued escalation of the nuclear arms race* with its diversion of resources from other needs (p. 316).

From the very start of the Commission's deliberations in 1981, a satisfactory definition of the legitimate role of nuclear deterrence proved extraordinarily difficult. Its initial draft spoke of a "marginally justifiable deterrent policy," and elsewhere of a need to "tolerate" nuclear deterrence—terms which satisfied neither flank (and raised additional theological problems, given the specific doctrinal ramifications of the term "tolerate"). But then in June 1982, in his address to the second U.N. Special Session on Disarmament, Pope John Paul II provided a breakthrough formulation:

> In current conditions "deterrence" based on balance, certainly not as an end in itself but as a step on the way toward a progressive disarmament, may still be judged morally acceptable. Nonetheless in order to ensure peace, it is indispensable not to be satisfied with this minimum which is always susceptible to the real danger of explosion.[13]

[13] John Paul II, "Message to U.N. Special Session 1982," p. 8.

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Here was the solution. The Bishop O'Connors of the Episcopate stressed that the Pope had endorsed nuclear deterrence as "morally acceptable;" to the Thomas Gumbletons the formulation came through, as the draft Pastoral now says, as a "strictly conditioned" acceptance. Having reluctantly accepted even this somewhat limited definition of deterrence, the "peace" Bishops then forged ahead to include in the second draft of the Pastoral a series of quite specific prohibitions and requirements, all directed to defining those adequate measures toward "progressive disarmament" that would make deterrence acceptable.

Thus, the draft, in addition to its strictures against vulnerable "hard kill" weapons and pursuit of a nuclear war-fighting capability, now argues that weapons "blurring the difference between nuclear and conventional weapons" (perhaps neutron bombs) are objectionable. The draft insists on the need to maintain a psychological barrier between conventional and nuclear war. On arms control it urges "bilateral deep cuts" in arsenals, which coincides with the Reagan Administration's position, and also both a comprehensive test ban treaty and the removal of weapons from border areas, positions the Administration has opposed. Further, the draft Pastoral, while explicitly rejecting unilateral disarmament, supports "immediate, bilateral verifiable agreements to halt the testing, production and deployment of new strategic systems," in language virtually identical to that of the national freeze resolution.

Finally, while attempting to avoid any suggestion of condoning conventional war, the Bishops do concede that "some strengthening of conventional defense" might be justified if it reduced the nuclear threat. As to whether the use of nuclear weapons might conceivably be justified in response to their use by adversaries, the second draft of the Pastoral is silent—declining to comment directly on when and under what circumstances the use of nuclear weapons might meet acceptable moral standards. A positive discussion of the theoretically moral uses of nuclear weapons was dropped from the earlier draft because the Bishops found it somewhat awkward to be prescribing the proper use of nuclear weapons. However, the presumption is heavily weighted against use: "Today the possibilities for placing political and moral limits on nuclear war are so infinitesimal that the moral task, like the medical, is prevention: As a people we must refuse to legitimate the idea of nuclear war" (p. 313).

In presenting this document to the world, the Bishops made unusual efforts to cast the Pastoral in quite unconventional terms. Rather than the didactic "preaching" common in past similar

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documents, the authors emphasize repeatedly that this is a study document, an effort to work through with believers the enormously complex issues under discussion. "The document is an invitation to debate," said one participant, "not an effort to close it off." They also note that although it is primarily meant for Catholics, it is intended for non-Catholics as well and as a "contribution to the public debate about the morality of war" (p. 308).

At the same time, there is an emphasis in the entire document on "guidance" to believers. Just how "binding" this might be is not clear, and the point was immediately raised in the Bishops' Washington parley. In fact, the positions being fleshed out in this document could pose an enormous problem for a Church with millions employed in defense industry or serving in the military (Catholics are about 30 percent of U.S. military personnel) or even, for that matter, for individual Catholics in the highest echelons of government. So central is this consideration that in the third draft the Bishops have reportedly made a much more careful explication of the difference between general universally binding moral principles and specific applications about which reasonable people may differ.

Concern over the binding nature of the Pastoral reflects the widespread conviction that this Pastoral will inevitably exert enormous pressures on Washington. What may be the practical ramifications of such a reluctant acceptance of deterrence? And if the justification for deterrence presumes progress on arms control, what happens in the absence of progress?

III

Although it is the Catholic Episcopate's initiative which attracts most attention at the moment, the nuclear issue has in fact been debated relatively longer and more intensely within the Protestant denominations. In this historical context, the Catholics are just now "catching up." Indeed, while the Catholic Bishops were meeting in Washington, the Council of Bishops of the second largest Protestant denomination, the 9.5 million-member United Methodist Church, wired a vote of confidence: "We thank God for your courageous witness on behalf of peace with justice." But as one might suspect given the structure of the churches, the historical Protestant treatment of the nuclear issues differs considerably from the current Catholic initiative.

Predictably, the Protestant response to nuclear issues has been fragmented and disparate. But it began early. In 1946, the Federal Council of Churches (later to become the National Council) sponsored a prestigious commission headed by Robert L. Calhoun.

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While its report did not get deeply into theological issues, the moral tone was strong, as reflected in one of its opening passages:

> We would begin with an act of contrition. As American Christians, we are deeply penitent for the irresponsible use already of the atomic bomb. We are agreed that, whatever be one's judgment of the ethics of war in principle, the surprise bombings of Hiroshima and Nagasaki are morally indefensible. . . . We have sinned grievously against the laws of God and the people of Japan. Without seeking to apportion blame among individuals, we are compelled to judge our chosen course inexcusable.[14]

Another effort, the so-called Dun Commission report, was published in 1950. It was widely criticized for failing to condemn first use of nuclear weapons, and its findings were gradually forgotten.[15] As "just war" theorist Dr. Paul Ramsey mused in frustration at the document, "It must be said, however, that the Dun Report is very confused and confusing throughout . . . if Protestants must use terms imprecisely, they should really not use them to discredit the quite precise notions in the moral doctrine of war . . . ."[16]

The international World Council of Churches (with which some American Protestant groups have had their differences) went somewhat further. In 1953 it commissioned a five-year study by an impressive roster of scholars and statesmen. This resulted in a provisional document, which proved to be the first in a series. Although the intellectual development was, again, fragmented, the positions argued were quite revolutionary. The initial document, for instance, argued that *"A first requirement is for a discipline which is capable of possessing nuclear weapons and the means of their delivery, but of never using them in all out warfare."* It suggested that in case of all-out war, *"Christians should urge a ceasefire, if necessary on the enemy's terms."* Moreover, in light of the contemporary resurgence of pacifism in Catholic thought, it is noteworthy that some members of the Commission rejected *any* use of H-bombs as "an atrocity not to be justified in a belligerent even if the enemy is guilty of it."[17]

The historic American pacifist churches, of course, were pathfinders in the peace field, laboring diligently and long with little tangible success. The Religious Society of Friends (Quakers) announced in 1948, not for the first time: "We feel bound explicitly

[14] The Calhoun Commission, "Atomic Warfare and the Christian Faith," Federal Council of Churches, March 1946, pp. 11–12.

[15] "The Christian Conscience and Weapons of Mass Destruction," ed. Angus Dun, Federal Council of Churches of Christ in America, December 1950.

[16] Ramsey, *op. cit.* footnote 7, pp. 142–3.

[17] "On Christians and The Prevention of War In An Atomic Age: A Theological Discussion," quoted in Ramsey, *op. cit.*, pp. 91–113.

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to avow our unshaken persuasion that all war is utterly incompatible with plain precepts of our Divine Lord and Lawgiver, and the whole of His Gospel, and that no plea of necessity or policy, however urgent or peculiar, can avail to release either individuals or nations from the paramount allegiance they owe to Him who said, 'Love your enemies'. . . ." Although the Friends have no "national" church as such, various Friends organizations have repeatedly called for a gamut of arms control measures. For the Church of the Brethren, the answer has consistently remained, as they repeated at a recent conference, a flat declaration that ". . . all war is sin. We therefore cannot encourage, engage in, or willingly profit from armed conflict at home or abroad." There is, then, within the non-Catholic churches an articulate pacifist element quite similar to the movement reflected so clearly in current Catholic debate.

The positions taken by the more conventional Protestant denominations, however, reflect both a greater divergence of opinion and the weaker moral authority of the Church arising from its diffuse structure. Despite the strong denunciations of nuclear war, there is almost no wrestling with the ambiguities of deterrence or the issue of justified use of nuclear weapons.

Such ambivalences are certainly a part of Protestant history. One need only note Reinhold Niebuhr's dualism regarding "moral man and immoral society." As a one-time pacifist, his later Christian realism argument that "to serve peace, we must threaten war without blinking the fact that the threat may be a factor in precipitating war," suggests the ambiguities in the Protestant position.[18] Niebuhr was confident that what he called the "balance of terror" would prevent nuclear war, and never addressed the full consequences of a breakdown in deterrence. Even without reflecting on the possibility of a nuclear exchange, Niebuhr appeared to accept implicitly that the United States would emerge the victor, however morally tainted. "Niebuhr was clearly ambivalent on deterrence," says his long-time associate, John C. Bennett. "While he came to think that the use of nuclear weapons would be immoral, he did not feel that their possession or the threat of their use would be immoral."[19]

[18] "From Progress to Perplexity," in *The Search for America*, ed. Huston Smith, Englewood Cliffs, N.J.: Prentice Hall, 1959, p. 144.

[19] Interview with author, March 1983. For a more detailed contemporary analysis of Niebuhr's position, see John C. Bennett, "Niebuhr's Ethic: The Later Years," *Christianity and Crisis*, April 12, 1982. In the interview, Bennett suggests that Niebuhr would today be far more critical of nuclear deterrence strategy, saying: "We—and this includes Niebuhr—took deterrence for granted without facing the consequences of failure. We used to think it would be immoral to criticize deterrence. Now we must ensure that these weapons are never used, even if this notion calls deterrence into question."

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Throughout the early postwar debate, and then again in the 1970s when the Protestants again began to speak up, most of the statements mirrored rather than dealt with the paradoxes of nuclear deterrence. If mentioned at all, deterrence was seen as a guarantor of peace; there was virtually no reflection on the conflict inherent in threatening evil to achieve moral goals, and very little consideration of what happens if the system breaks down. One exception has been Professor Roger L. Shinn, Reinhold Niebuhr Professor of Social Ethics at Union Theological Seminary, who as early as 1963, argued imaginatively that the world would be more stable when the Soviet Union achieved nuclear parity with the United States.[20] For the most part, other proclamations dealt with "easy" issues, such as a prohibition on attacking population centers, which the World Council of Churches in 1961 said "is in no circumstances reconcilable with the demands of the Christian Gospel."

Of the major Protestant denominations in America, most have by now issued, in one form or another, declarations condemning nuclear war. (The conspicuous exceptions are the fundamentalist denominations, which remain remarkably "hawkish." Indeed, a fundamentalist leader, the Reverend Jerry Falwell, recently published a full-page advertisement opposing a nuclear freeze and posing questions clearly weighted in support of current "U.S. strategic programs aimed at restoring nuclear parity with the Soviet Union.") Even the politically conservative Southern Baptist Convention, with over 13.8 million members, balances concern for nuclear developments with its reaffirmation of support for defense.[21] The House of Bishops of the Episcopal Church in the United States in 1981 issued a pastoral letter denouncing "massive nuclear overkill." Parallel to this, the Regional Executive Ministers of the 1.6 million-member American Baptist Churches (who are the chief executive officers of the church's 37 regional divisions) endorsed a resolution which called the existence of nuclear weapons

[20] Shinn discussed this early insight in his comments at international public hearings sponsored by the World Council of Churches in Amsterdam on November 23-27, 1981. His views, as well as a broad range of reflections on nuclear strategy, can be found in *Christianity and Crisis*, January 18, 1982. The Amsterdam hearing ended with the following statement: "We believe that the time has come when the Churches must unequivocally declare that the production and deployment as well as the use of nuclear weapons are a crime against humanity and that such activities must be condemned on ethical and theological grounds." Report of a Public Hearing on Nuclear Weapons and Disarmament, World Council of Churches, Geneva, May 1982, p. 22.

[21] In their most recent statement the Baptists declared: "Whereas our national security interests require both a strong defense and a responsible limitation on nuclear weapons . . . we affirm our historic Baptist commitment to peace with justice as a goal in personal, social and international relations . . . . We support a program of mutually verifiable disarmament including nuclear disarmament . . . ." "On Peace With Justice," June 1982, New Orleans.

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and a presumed readiness to use them "a direct affront to our Christian beliefs and commitments." Both the large American Lutheran Church and the Lutheran Church in America independently passed resolutions urging the elimination of nuclear weapons. Among the most forthright statements was that by the General Assembly of the United Presbyterian Church in 1982, which not only backed a nuclear freeze but added the exhortation "that we will never again be the first nation to use nuclear weaponry." During the debate, State Clerk William P. Thompson went further, rejecting deterrence as incompatible with a Christian striving for peace.

By comparison with the current Catholic draft Pastoral, the Protestant declarations have been earlier and occasionally even more sweeping, but at the same time—with few exceptions—superficial and inadequately defined doctrinally. It is hard to find studies in the official Protestant literature comparable to the depth and the intellectual detail of the Catholic draft Pastoral. Indeed, Robert F. Smylie, Associate for Peace and Justice of the Presbyterian Church, concedes that "in the statements of the General Assembly one does not find an elaborate system of doctrine worked out to provide the theological presuppositions for the authoritative witness of the Church in response to issues of war and peace."[22] There is in Protestant statements only slight systematic grappling with the paradox of deterrence; nowhere is there an extended application of "just war" doctrine, particularly with respect to proportionality and discrimination.

There are signs, however, of a significant stirring in the National Council of Churches of Christ in America. The organization backed SALT II and the freeze, and has now called for a nationwide "Peace With Justice" week in the spring. In the past five years, the NCCC and most of the principal Protestant denominations have established "peace" offices. Privately, though, many leading Protestant figures are chagrined at the failure to posit a more formidable position on nuclear weapons. "I've been against nuclear weapons since the 6th of August 1945," Church historian Martin Marty says in self-criticism. "And I've written thousands of lines since then. But I'd be hard pressed to find three or four coherent sentences on the ethics of nuclear deterrence."[23]

[22] Robert Smylie, "A Presbyterian Witness On War and Peace: An Historical Interpretation," *Journal of Presbyterian Studies*, Winter 1981, p. 505.
[23] Interview with author, December 1982.

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IV

Perhaps the most curious anomaly in the current awakening of concern for nuclear issues by the American churches has been the relative lack of participation of the Jewish communities. As individuals, American Jews have certainly been outspoken critics of unrestrained nuclear development. Albert Einstein repeatedly warned of the consequences of nuclear war and even argued that the only way to prevent it would be the formation of a world government. He also proposed that the American nuclear arsenal be turned over to an international body. Physicist I. I. Rabi warned as early as 1949 that the use of such a weapon cannot be justified on any ethical ground. And Hannah Arendt observed some years later that when war can threaten the continued existence of mankind on earth, the alternative between liberty and death loses its plausibility. Individual Jews to this day continue to speak out, but the community as a whole, which has gained such a reputation for involvement in moral and social issues from civil rights to the environment and Vietnam, remains conspicuously aloof.

There have been some notable exceptions, especially from within the Union of American Hebrew Congregations, whose President, Rabbi Alexander Schindler, has spoken out vigorously in support of the anti-nuclear movement. At its General Assembly in December 1981, the Reform UAHC, which represents about one-third of American Jews, unanimously accepted a resolution appealing to all nuclear powers "to mutually agree upon a freeze on the testing" of systems, and went a step further by supporting a verifiable 50-percent across-the-board cut in nuclear stockpiles, as proposed also by George Kennan. But like so many of its Protestant counterparts, the resolution was hortatory and superficial, failed to deal either with first use or deterrence, and excluded any reference to specific weapons systems because the sponsors thought it too sensitive.

On a local level, some Reform Jewish leaders have attempted to promote concern for nuclear affairs. In New York, Rabbi Balfour Brickner sponsored a widely acclaimed symposium on "Nuclear Arms, Judaism and the Jewish Community," while Rabbi Leonard Beerman of Leo Breck Temple in Los Angeles opened a similar conference with the biblical reminder of *Deuteronomy*, "I have set before thee life and death, the blessing and the curse; therefore choose life. . . ." But despite considerable enthusiasm at these symposia, a basic theme was lamentation at the failure of Jewish congregations to grapple with the moral and theological issues of nuclear warfare.

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It is worth asking why Jews, whose entire history has been marked by war, have been comparatively reluctant to participate in efforts to achieve some form of nuclear arms control. There is no consistent answer to this. Some Jews reply that the absence of a coherent, unified "Jewish" reaction to nuclear issues reflects the independence and fragmentation of the Jewish community. Yet this structural problem has not hindered Jews from becoming deeply involved in any number of social issues where they have played a role all out of proportion to the size of the community.

Other observers suggest that this reluctance to join the nuclear barricades reflects a fundamental Jewish theological ambivalence toward war. Jews have no strong pacifist tradition; and there is certainly a strong call to arms in the tradition of an obligatory (defensive) war, "Milchemet Mitzvah," as well as the discretionary (offensive) war in the "Milchemet Reshut." Jews, it is argued, are torn by the contradictory admonitions of the Bible. In *Micah* 4:1–4, for instance, there is the charge to beat swords into plowshares, while in *Joel* 3:9–11 it is precisely reversed ("Beat your plowshares into swords . . . ."). The 20th chapter of *Deuteronomy* amounts to what has been called "Israel's own manual of war," though others see in the qualifications on going to war a sort of Israeli Geneva Convention. There is in any case only slight theological direction regarding preventive war (striking first), and even less on deterrence as a strategic concept.

Theological reflections aside, many Jewish observers concede that the reluctance to become deeply involved in the nuclear movement stems from concern over how this might affect Israel's security. This concern is on two levels. There is the fear that any weakening of the American strategic deterrent could endanger Israel, that America's role as Israel's "guarantor" might somehow be undercut. Jews as a community remain particularly suspicious of the Soviet Union, both because of its policy on emigration and its role in supporting the Arab threat to Israel's security. Then there is as well the softly articulated assumption that Israel itself has a nuclear capability, and that any moral pronouncements inhibiting the use of nuclear forces might in some way weaken the deterrent value of these weapons.

The reluctance of Jews to participate, for whatever reason, in the nationwide groundswell of concern is widely regretted in the Jewish community, and many senior Jewish officials sense this is already changing. The Union of Orthodox Jewish Congregations has just adopted a strong endorsement of "the SALT and START process, and this organization, which represents roughly another third of religious American Jews, is described by officials as "determined to get

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involved." The Rabbinical Assembly of America, the rabbis of the Conservative Jewish congregations, probably the largest of the three religious groups, endorsed the nuclear freeze in April 1982. Probably the most important, the Synagogue Council of America, a loose umbrella group for all branches of Judaism, on February 25 endorsed a resolution urging President Reagan and Soviet General Secretary Yuri Andropov "to implement a bilateral mutual cessation of the production and deployment of nuclear weapons." "I'm dismayed at our lack of Jewish participation in what must be just about 'the' issue of our times," says Rabbi Walter Wurzburger, a leading Orthodox rabbi and president of the Council. "We have been totally neglectful in analyzing the ramifications of the nuclear race."

Several of these groups have plans for the immediate future. The UAHC has just published a basic manual for synagogues and community organs on how to participate in the nuclear debate. Several congregations are calling for a major meeting to bring together scholars and rabbis from all the Jewish denominations, not to seek resolutions but to explore the meaning of the nuclear age for *Halaohah*, Jewish law. Samuel Pisar, an internationally known lawyer and survivor of Auschwitz, has already suggested a fundamental theme for such a conference. Pisar, during a convocation in Israel of survivors of the Holocaust, recently asked before the Knesset: "From where, if not from us, will come the warning that a new combination of technology and brutality can transform the planet into a crematorium?"

V

Given the Church activism, as well as the freeze movement, the Administration evidently felt impelled to react. In the spring and summer of 1982, it began to track development of the Catholic Pastoral. During preparations for the first draft, several Administration witnesses, including Defense Secretary Caspar Weinberger, Under Secretary of State Lawrence Eagleburger, and arms control negotiator Edward Rowny, testified as expert witnesses before the Bishops' Commission, emphasizing that the government was pursuing an energetic and comprehensive arms control policy. As work on the second draft progressed, the Administration sought to exert further pressures. In July, National Security adviser William Clark wrote, in a letter subsequently forwarded to Apostolic Delegate Pio Laghi: "I am troubled in reading the draft pastoral letter to find none of these serious efforts [of the Administration] at arms control described or even noted in the text, even though they so

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clearly conform with many of the most basic concerns and hopes of the letter's drafters." Apparently uneasy with the thought of a confrontation with the Bishops, Clark, in an obvious misreading of the Pastoral, concluded: "On the subject of overall nuclear deterrence strategy, then, I find that the position recommended by the Pastoral letter is remarkably consistent with current U.S. policy, with one notable exception—the issue of no nuclear first use."

Weinberger, in September, wrote a curious letter to Archbishop Bernardin that also attempted to embrace the first draft while at the same time interpreting it for the Archbishop. "I am particularly pleased," wrote Weinberger, "that [the draft] directly recognizes and supports the right of legitimate self-defense and the 'responsibility to preserve and pursue justice.' But," he continued, "I am concerned that the draft pastoral letter fails to do justice to the efforts by the United States and its Allies to maintain the peace through deterrence and negotiation."

As the November Washington Bishops' Conference approached, Administration officials, clearly responding to the Election Day success of freeze resolutions in eight of nine states, and evidently fearful that the Bishops' action would further coalesce the peace movement, launched a determined public drive to influence the drafters. On the opening day of the Conference, Navy Secretary John Lehman, Jr., a Catholic, penned an appeal in *The Wall Street Journal* arguing that the Bishops were neither informed nor logical, and "what is worse, if adopted, such recommendations could lead directly to immoral consequences." On the eve of the Washington meeting, White House representatives suggested that the drafting commission meet with the President, or, alternatively, that Secretary of State George Shultz address the Conference. Both the appeals for a further hearing and suggestions that they were ignoring the Administration's serious peace efforts were rejected for the time being by the Bishops.

An evidently frustrated Administration then took the unusual step of having Clark, a Catholic, write to the Commission on behalf of the President and the Cabinet. In his letter, released to the media before it reached the Bishops, who were already in deliberation, Clark contended that the draft Pastoral "continues to reflect a fundamental misreading of American policies and continues essentially to ignore the far-reaching American proposals that are currently being negotiated with the Soviet Union on achieving steep reductions in nuclear arsenals, on reducing conventional forces, and through a variety of verification and confidence-building measures, on further reducing the risks of war." The Bishops appeared

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more irritated with the tactics than impressed with the arguments. At the same time, a group of 24 distinguished academics and former government officials, ranging from ex-CIA Director William Colby to one-time SALT negotiator Gerard Smith, wrote an open letter supporting the Bishops' justification for taking a stand on the nuclear issue, and concluding that "there is increasing evidence that we cannot rely on governments to act in this matter in a timely fashion." For their part, the Bishops let it be known that they were prepared to meet further with Administration figures after the meeting.

Meanwhile, the White House, recognizing the Church as an international institution, was hoping to stimulate pressure on the Bishops, either from the European hierarchy or the Pope. A number of German and French Bishops had responded with commentaries critical of the initial draft of the Pastoral, but the American Bishops seemed to give them no particular credence. As one observer suggested, "neither the French nor the German Bishops have distinguished themselves in articulating the issues." Key American Bishops met in January 1983 in the Vatican with the European Bishops to hear their views. The outcome was inconclusive.

More curious was the apparent assumption on the part of the Administration that somehow Pope John Paul II might intervene against the American Bishops. Some Washington sources have suggested that Ambassador Vernon Walters, who met with the Pope in November before the Bishops' meeting, had asked the Pontiff to move against the supposed "nuclear heresy." If so, none of the Pope's statements would appear to give encouragement to the hope of his intervention against the Bishops. On the contrary, the course of the debate has suggested that the American Bishops' position is not inconsistent with that of John Paul II. The Pope has clearly made "peace" a central element in his papacy. Although invited to comment on the original draft, the Pope asked for no changes; instead, two senior aides delivered basically complimentary commentaries. And, as we have noted, the Pope's U.N. speech, with its emphasis on conditional acceptance of deterrence, provided the breakthrough for consensus within the drafting Commission. Finally, at the Washington meeting, the Pope's own delegate in Washington, Pio Laghi, commended the Bishops for "playing a leadership role" and added that it "coincides remarkably well with Pope John Paul II's commitment to peace in the world and to authentic doctrines of the Church."

Indeed, John Paul II in 1982 asked his prestigious Pontifical Academy of Science to prepare a detailed study on the effects of

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nuclear war—a report then hand-carried by his emissaries to Leonid Brezhnev and Ronald Reagan. It is also noteworthy that the Pope, in his 1983 New Year's homily in St. Peter's Basilica, reaffirmed the dedication to arms control which has become a hallmark of his papacy, without expressing the slightest hint of discord with the American Bishops. In February, Archbishop Bernardin was the only American elevated to Cardinal, hardly a sign of Papal dissatisfaction with the Bishops' initiative.

VI

It appears evident from the debate at the November Bishops' meeting that a majority of the Bishops are determined to bring the Pastoral to a vote when they convene for further discussion in May in Chicago. There is certain to be intense debate, and the third draft reportedly does reflect some changes. There is stronger criticism of the Soviet Union's role in the arms race; there is further clarification of the legitimate use of nuclear weapons as well as discussion of the degree to which the Pastoral is binding on Catholic conscience. But these modifications do not detract from the fact that the Bishops are preparing a ground-breaking condemnation of key elements of America's nuclear strategy, and that they enjoy the broad support of wide segments of Protestant opinion. A process has been set in motion, and a new level of debate unleashed, regardless of what text is finally accepted.

Thus the Catholic Church, and, to a somewhat lesser extent, the nation's Protestant denominations as well, appear to have embarked on a course which will have enormous repercussions in three areas: (1) the potential for tension within the Catholic Church; (2) relations between the Catholic and Protestant Churches, in particular with respect to Church-State relations; and (3) most fundamental of all, on America's national security policy in the nuclear age.

Within the Catholic Church there is already a considerable debate on the wisdom of the Bishops' initiative. The initial challenge has been to the Bishops' competence—theological and strategic. Critics question the authority and ability of the Bishops to attempt to describe doctrine on a secular issue of this nature. "As a Catholic, I don't exercise much independence in matters of faith like the infallibility of the Pope," observes Professor Robert Spaeth, of St. John's University in Minnesota (author of a forthcoming book on ethics and deterrence), "but if a Bishop tells me the MX missile is bad, that's politics—that's my field." Added archconservative Phyllis Shlafly, criticizing the Bishops for failing to recognize the dimen-

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sions of the Soviet threat, "the Bishops are over their heads in a subject they don't understand."

The Bishops' response is that few persons actually have true technical competence, and that they have in fact become "experts" through intense study and briefings. To challenge their competence is as irrelevant, they add, as complaints that priests cannot make judgments on married life. "For that matter," adds one Bishop, "what particular competence does President Reagan have on nuclear strategy issues?"

"People who raise this issue," says Bishop Daniel Reilly of Norwich, one of the five members of the drafting commission, "are begging the point, for we aren't claiming this is Almighty God handing down the truth from the mountain as with Moses. It's simply the Bishops of the United States trying to bring to bear analysis on issues never before faced by the human family."

But even supporters of the general tenor of the Bishops' draft Pastoral are sensitive to the inherent implications for the unity of the Catholic Church. The Bishops, some observers charge, are far more liberal than their congregations. Bishop Francis Schulte of Philadelphia cautioned that "we have already witnessed movement toward polarization within the Church on this issue." To a large degree, of course, the extent of any divisiveness will depend on the final judgment on just how binding the Pastoral might ultimately be. Although this is still somewhat unclear, if the Pastoral is passed by a two-thirds majority, the statutes of the National Catholic Conference of Bishops state that it "should be observed by all members as an expression of collegial responsibility and in a spirit of unity and charity." On the other hand, some earlier Pastorals were pretty much ignored. Several members of the drafting Commission are confident that the current draft is "close to mainstream Catholicism." Other Bishops, on and off the Commission, doubt this.

Nevertheless, participants in this debate are constantly reminded by critics to be alert to the possibility of serious fissures among the believers on this issue. No one wants to repeat the experience of the encyclical "Humanae Vitae," which contained papal teachings on sexual matters that have been disregarded by large numbers of the faithful. Similarly, there is a reluctance to take any action which would further exacerbate the Church's current internal problems, such as the declining number of priest candidates and an alarming disaffection among various women's orders.

But some would argue that the potential for division is posed already by the draft Pastoral. If the Bishops side with the pacifists,

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they alienate perhaps the majority of the Church; but to adopt a stance more conservative than the current draft brings with it the risk of disaffecting some of the Church's most pious supporters, for example the Pax Christi wing to which 57 Bishops belong. "To force believers into making a choice," says Thomas Fox, editor of the liberal *National Catholic Reporter*, "creates the potential for the greatest religious-political clash in U.S. history."

There are already rumblings of just that sort of revolt. Largely as a response to the Bishops' original draft, an American Catholic Committee was set up, organizationally modeled after its Jewish counterpart, with the intention of mounting an aggressive nationwide political campaign to blunt the Bishops' efforts. Prominent among the members is Michael Novak, a formidable publicist, who is circulating a "counter-pastoral" and urging it as an alternative to the Bishops' efforts. Another active voice in opposition to the tenor of the Bishops' Pastoral is the Ethics and Public Policy Center in Washington, whose president, Ernest Lefever, has sponsored symposia and published useful studies offering conservative commentaries on traditional Catholic war doctrine.[24] The Catholic Center for Renewal in Washington has also become a catalyst for determined criticism of the Bishops.[25]

If the new nuclear doctrine represents a threat to the internal unity of the Catholic Church, it also raises issues of considerable moment for the Protestants. Neither Protestants (nor, even less so, Jews) will be torn internally over the posture of their respective churches in the same fashion as Catholics. For Protestants, the various statements and declarations represent at most moral guidance, as they do for the Jews. Also, because the Protestant statements have until now been less theological and more hortatory, they place fewer restraints on Protestants than the rather precise Catholic draft Pastoral. But if the anti-nuclear initiatives create no particular threat to Protestant denominations, there is detectable a widespread caution within the Protestant churches over the new Catholic activism. This country has a history of interdenominational quarrels, often bloody, and not so many years ago. Many of the same Protestants who welcome Catholics to the nuclear arena take great exception to Catholic political activism on issues such as abortion and tax relief for parochial schools.

For all the warm words of greeting from liberal Protestants to

[24] *The Apocalyptic Premise*, Ernest W. Lefever and E. Stephen Hunt, editors, Washington, D.C.: Ethics and Public Policy Center, 1982.

[25] For an overview of the Center's views, along with those of the American Catholic Committee, see "Justice and War in the Nuclear Age," papers presented at a conference in Washington, D.C. in October 1982. Prepublication copy. Publication is scheduled for early spring, 1983.

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the Catholics on this issue, many reflect as well concern over demonstrated Catholic aggressiveness in the political arena. Not a few Protestants at the moment echo the hope that the Catholics will take a "stand, not a side." After all, Catholics, as the largest single denomination and a political force, if united, of enormous potential, stir some Protestant concern. How this will be resolved cannot be predicted. Properly handled, of course, the nuclear issue itself could be a great binding force between the two groups.

VII

Apart from theological issues, the ultimate political question raised by the debate is how this religious involvement, Catholic, Protestant and Jewish, will influence American strategic nuclear doctrine. Conflict with the Reagan Administration, or with any Administration in Washington, now seems inevitable, regardless of the particular drafting changes in Chicago. It is clear that nuclear policy and the general atmosphere in Washington have already been affected. Although impossible to measure quantitatively, it is evident that to some extent the loss of support for military spending stems from public awareness of the current nuclear debate; the rejection of the MX dense-pack basing mode by Congress in December 1982 would have been quite unthinkable without the intervention of an uncommonly aroused public. The entire spectrum of defense and strategic deterrence is being placed under public scrutiny with a fervor seldom before experienced.

Opponents of the Bishops' initiative, and for that matter many supporters, emphasize, of course, that the force of Western public opinion is creating an unbalanced situation, because pressures that might be brought to bear in Washington are not similarly possible in Moscow. One-time Kissinger adviser Helmut Sonnenfeldt has emphasized "the asymmetrical effect from the pronouncements of clergymen in free societies: What they say may indeed affect the public policies of the United States and its allies, but would have no impact whatsoever on the Soviet Union." Some observers worry particularly how this asymmetrical facet will affect America's relations with its European allies.

Yet another level of criticism is that the Bishops really have not taken account of the true alternatives to nuclear deterrence. Paul Ramsey said recently, "to judge the morality of deterrence, one must judge as well the morality of the alternatives." This was the theme of a critical letter to Bernardin drafted by 24 Roman Catholic members of Congress, who wrote that "Our real threat comes from an ideology which challenges our fundamental faith in human dig-

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nity . . . . The crisis we face today does not involve two morally equal forces, but the contention of human freedom against totalitarianism."

What may in time become increasingly clear is the Bishops' profoundly human inability to square the circle. Nuclear weapons cannot be wished away. Many observers have suggested that ultimately the paradox of deterrence, the readiness to commit an evil in hopes of preventing an even worse evil, cannot be resolved. Canon G. R. Dunstan, in a remarkable new volume, argues that "there is no 'Christian' solution to it. There is only a choice among evils; and there is everlasting mercy for those who, in good faith, are driven to choose."[26]

There remain, however, the qualifications placed on deterrence policy in the Pope's own commentary, where deterrence in itself is judged wrong unless accompanied by progress toward arms control. Cardinal John Krol of Philadelphia raised the same point in his historic testimony (on behalf of SALT II) before the Senate Foreign Relations Committee on September 9, 1979:

> The moral judgment of this statement is that not only the use of strategic nuclear weapons, but also the declared intent to use them involved in our deterrence is wrong. . . . [However] . . . as long as there is hope of [negotiations] occurring, Catholic moral teaching is willing, while negotiations proceed, to tolerate the possession of nuclear weapons for deterrence as the lesser of two evils. If that hope were to disappear, the moral attitude of the Catholic Church would almost certainly have to shift to one of uncompromising condemnation of both use *and* possession of such weapons."[27]

What may this mean in practice? Will there be a point at which an absence of progress in arms control forces a harsher condemnation of deterrence by the Bishops? Absent progress, can the Bishops opt for rejection of the only policy the nation has thus far found to prevent nuclear war?

The central lesson in this whole experience may be that, along with the technical and political complexities of deterrence, a tangle of ambiguities await those who would try to sort out the moral quotient. Archbishop John Roach suggested as much at the close of the Bishops' meeting. "Ambiguity," said Roach, "is a legitimate and treasured part of our moral tradition. Perhaps," he concluded, "the consensus will be on ambiguity."

[26] *Ethics and Nuclear Deterrence*, Geoffrey Goodwin ed., London: Croom Helm, 1982. Dunstan is Professor of Moral and Social Theology at King's College, University of London.

[27] This portion of Cardinal Krol's testimony is quoted at p. 316 of the draft Pastoral. The full text is in *Origins*, Vol. 9, No. 13, September 13, 1979, pp. 195–99.

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Donald S. Zagoria

THE MOSCOW–BEIJING DÉTENTE

Since the end of World War II, there have been three watersheds in Sino-Soviet relations. In February 1950, the Soviet Union and the People's Republic of China formed an alliance against the West. In the late 1950s, there was the beginning of the historic split between them that transformed international politics. Then, in the early 1970s, there began the Sino-American rapprochement that, by the end of the decade, completely altered the strategic landscape and led to an incipient Chinese-American alliance against the Soviet Union.

A fourth stage in the evolution of the strategic triangle is now underway and will probably continue during the 1980s. Through a variety of winks and nudges, China has responded positively—if still somewhat skeptically and ambiguously—to Soviet overtures for détente. The process of achieving such a détente, if it is successful, will almost certainly be long and difficult. The Soviets, although they have temporarily halted most of their polemics against China, continue to fear that a China modernized with the help of the West will one day be in a position to pursue the "Great Han, chauvinistic and expansionistic" aims which Soviet propagandists have frequently attributed to China during the past two decades. The Chinese, although they have largely dropped the Maoist ideological indictment of the Soviet Union as a "revisionist" country and a "betrayer of Marxism-Leninism," still continue to portray Moscow as a compulsive "hegemonic" power out to dominate the world.[1]

Still, détente is viewed by both adversaries as a means of managing their rivalry, not of eliminating it, and so the trend toward détente is likely to continue. Both the Russians and the Chinese have powerful reasons for desiring an end to the confrontation that has marked their relationship during most of the Maoist era. The big question remains: how far is a Sino-Soviet détente likely to go and

[1] As recently as October 1982, a Chinese journal called Moscow's "détente" policy a tactic to seize global hegemony from the United States. See Zhang Zhen and Rong Zhi, "Brief Discourse on the Soviet 'Détente' Policy," *Guoji Wenti Yanjiu*, no. 4, 1982, in Foreign Broadcast Information Service (FBIS), *Daily Report*, China, February 9, 1983, pp. C1–C9.

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what are its implications for the West?

This essay will attempt to examine some of the recent developments in Sino-Soviet relations; to explore the reasons why both Russia and China are now interested in a détente; to identify some of the substantial limits on that détente; and, finally, to analyze the implications of the new trends for the United States.

II

Prior to the death of Mao Zedong in 1976, there were—in addition to Mao's obsessive anti-Sovietism—two basic reasons why the Chinese opposed a détente with Moscow. One was ideological, the other strategic. The ideological concern of Mao and the "radicals" was that too close a relationship with the "revisionist" Soviets could contaminate the Chinese revolution. But once Mao died, the post-Mao leaders quickly purged the radical "Gang of Four," and have since adopted a markedly pragmatic approach to the country's development. They have invited foreign capital into China; they have expanded free markets; they have increased material incentives; and they have even engaged in a virtual de facto decollectivization of agriculture under the rubric of the "household responsibility system." Having replaced revolutionary zeal with a determined emphasis on economic development, the new Chinese leaders now have much less to fear from Soviet "revisionism." In this new context, it would be patently hypocritical for them to continue their ideological critique of the Russians; they can hardly accuse the Russians of "heresies" that they themselves are practicing. So, for several years now, the Chinese have stopped referring to the Soviets as "restoring capitalism" and "betraying Marxism." In sum, Mao's death has worked to remove the ideological barrier to détente.

The second barrier to détente prior to Mao's death was strategic. China's concern about possible military action by Moscow was at its height in the late 1960s and early 1970s. In this period, the Soviets greatly increased the quantity and quality of their military forces on the Chinese border; they invaded Czechoslovakia and proclaimed the "Brezhnev Doctrine," which arrogated to Moscow the right to intervene in the affairs of any "socialist" country; they began to threaten a preemptive strike against the Chinese nuclear missiles; and there were two bloody battles between Soviet and Chinese forces over disputed islands in the Amur River. It was these developments that propelled the Chinese into the arms of the United States in the early 1970s.

Since the death of Mao, however, both the Soviets and the Chinese have been proceeding with much greater caution. The

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Russians made only verbal threats when the Chinese launched their incursion into Vietnam in February 1979; the Chinese have been behaving more cautiously on the border and there have been no major incidents in recent years. Moreover, the normalization of relations with the United States in 1979 and the stabilization of the Chinese leadership after 1978, when Deng Xiaoping established rather firm control, added to Chinese self-confidence. Thus, by 1979, within three years of Mao's death, the ideological barriers to détente were gone and, on a strategic level, some of China's worst fears about the Russians were receding.

In the fall of 1979, the Chinese agreed to participate without preconditions in "normalization" talks with the Russians. These talks took place in Moscow between September and November 1979. According to one authoritative Soviet account, the Chinese raised four points in these talks as preconditions for, or "obstacles" to, the reestablishment of "normal" relations.[2] Beijing called for: 1) a unilateral reduction of the Soviet armed forces in the area bordering on China; 2) a withdrawal of Soviet forces from the Mongolian People's Republic; 3) a discontinuation of Soviet support "in any form" of the Socialist Republic of Vietnam; and 4) a settlement of the longstanding border dispute, talks on which had been going on without result since 1969.

According to this same source, the Soviet response to these demands was rather unyielding. With regard to the first point, the Soviets replied that they took "only necessary defensive measures on the border" and, moreover, that "there were more troops on the Chinese side of the border than on the Soviet side." With regard to Mongolia and Vietnam, the Soviets said that Soviet cooperation with other sovereign states "cannot be a subject of Soviet-Chinese negotiations." And so far as the border dispute was concerned, if the Chinese "were really serious about specifying the border line," all that was necessary was to make sure that the border conformed with the Russo-Chinese treaties of the nineteenth century.

Perhaps the most significant development that took place at the 1979 meeting was that the Soviets tabled what might loosely be called a nonaggression pact. It was a draft declaration of the principles of mutual relations between the U.S.S.R. and the P.R.C. According to one Soviet source, this declaration called for mutual recognition of the principles of peaceful coexistence—full equality, mutual respect for state sovereignty, respect of territorial integrity,

[2] M. Ukraintsev (pseudonym for M. S. Kapitsa), "Soviet-Chinese Relations: Problems and Prospects," *Far Eastern Affairs*, No. 3, 1982, Moscow.

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noninterference in each others' internal affairs, and non-use of force or the threat of force. In pursuance of these principles, the Soviet side said it would specify and record the commitments of both sides concerning the renunciation of the use or threat of force.

At these 1979 meetings, the Soviets also proposed a discontinuation of "unfriendly propaganda" and an expansion of trade, as well as economic, scientific, technological, cultural and other peaceful exchanges. Finally, Moscow proposed a variety of meetings, "including summit talks," to speed normalization.

It is not clear how the Chinese responded to these Soviet overtures. According to one account from high-ranking Chinese officials, the Chinese delegation had been instructed to listen to what the Soviets had to say but not to enter into any agreement. Following the conclusion of the talks, the two sides agreed to hold a second round of meetings in Beijing early in 1980. But the Chinese postponed these talks indefinitely after the Soviet invasion of Afghanistan in December 1979. Subsequently, Beijing added a fifth "precondition" for normalization, namely the removal of Soviet troops from Afghanistan.

Throughout 1980, Sino-Soviet relations remained frozen. In 1981, however, the two sides once again began to explore the resumption of normalization talks. On March 7, 1981, Moscow proposed implementing "confidence-building measures" along the border, including advance notification of military exercises, exchange of observers at those exercises, and similar steps.[3] The Chinese gave no official answer. Then, in October 1981, a spokesman for the Chinese Foreign Ministry revealed that a Soviet note of September 25, 1981, had called for a resumption of negotiations. The Chinese made no direct response to this note but, in November 1981, Chinese officials told West Germany's Franz Josef Strauss that a resumption of talks with the Russians was indeed possible and that the West should not "misunderstand." In the same period, China signed a railroad transport agreement with the Soviets and proposed a doubling of bilateral trade. It thus appears as if sometime in the fall of 1981 the Chinese leadership made the decision to respond positively to Soviet overtures. This was a period, it will be recalled, when Chinese-American relations were beginning to deteriorate because of Chinese concerns that the Reagan Administration was moving back toward a "two Chinas" policy. Although Chinese dissatisfaction with Reagan's policy toward Taiwan was not the sole, or even the major, factor which brought about a shift in

[3] *Ibid.*

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Chinese foreign policy, it was probably one of a number of factors.

On January 8, 1982, Beijing took another step toward negotiations with Moscow when Li Xinnian, a vice-chairman of the Chinese Communist Party (CCP), told an Italian Communist paper: "Why should we be against Sino-Soviet negotiations as long as they can lead to concrete results?" A week later, S.L. Tikhvinsky, rector of the Diplomatic Academy under the Ministry of Foreign Affairs and a prominent China specialist, arrived in Beijing for a two-week visit. Two years before, Tikhvinsky had been the deputy head of the Soviet team holding normalization talks with the Chinese. During this return visit, Tikhvinsky presumably entered into discussions with Chinese officials on how and when to resume negotiations.

Shortly thereafter, the Soviets sent out an ambiguous signal. On February 18, 1982, Soviet Premier Nikolai A. Tikhonov said in an interview that the Soviet Union is "not going to keep from concrete steps" toward improving relations with China, but that the process "must not be one-sided." This was obviously a reflection of what was being said in private. The Chinese were insisting on some concrete Soviet "deeds" relating to their various "demands." And the Soviets, while not rejecting the need for such action, were calling on the Chinese to reciprocate—presumably by ending "unfriendly propaganda," etc.

A month later, Brezhnev, speaking in Tashkent, signaled a willingness to resume border talks with the Chinese and held out "possible measures to strengthen mutual trust in the area of the Chinese-Soviet frontier." Brezhnev was presumably referring to the "confidence-building measures" that the Soviets had offered earlier in the year. Brezhnev went on to say that Moscow was prepared to come to terms with China but "certainly not to the detriment of third countries."

In September 1982, this time in Baku, Brezhnev again underscored the importance he attached to improving relations with China and, about the same time, the Soviet media began to halt all anti-Chinese propaganda, the fourth such moratorium since the death of Mao. This was a tangible indication that the Russians were now looking forward to some progress in their effort to improve relations.

In early October 1982, Soviet Deputy Foreign Minister Leonid Ilyichev, Moscow's ranking negotiator with the Chinese, quietly arrived in Beijing for the first round of post-Afghanistan talks with his Chinese counterpart, Deputy Foreign Minister Qian Qichen. The Chinese described these talks merely as "consultations," clearly seeking to retain the option not to go ahead with formal negotia-

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tions. According to subsequent Chinese accounts, the Chinese raised three issues with Ilyichev: Afghanistan, the Soviet troops along the border and in Mongolia, and, "above all," the problem of Kampuchea. At this meeting, Qian reportedly proposed a plan for a phased settlement of the Kampuchean conflict. The plan called for a complete withdrawal of Vietnamese troops from Kampuchea over an unspecified but "reasonable period of time" in return for a gradual improvement in Chinese-Vietnamese relations.[4]

In November 1982, the Chinese sent then Foreign Minister Huang Hua to Moscow to attend Brezhnev's funeral and, following a lengthy meeting with Soviet Foreign Minister Andrei Gromyko, Huang announced that he was "quite optimistic" about the prospects for improving Sino-Soviet relations. This visit attracted worldwide publicity. It is not clear whether Huang Hua's immediate dismissal as Foreign Minister upon his arrival back in Peking had anything to do with his expression of optimism in Moscow. But it is likely that the Chinese leaders are divided about how fast to proceed with the Russians.[5]

Soon after Huang's remarks, *Pravda* editor-in-chief Viktor G. Afanasyev, a member of the Soviet Central Committee, told Japanese journalists that the Sino-Soviet discussions could lead to an agreement on troop reductions along the border. The Chinese immediately hailed these remarks as "important" and they now seemed to relax their "preconditions" for normalization. Deputy Foreign Minister Qian told some Austrian journalists in early December 1982 that even "little steps" could improve relations.

At the same time, Qian voiced considerable skepticism about the outcome of the forthcoming dialogue with Moscow. "A complete normalization of relations is only possible," he stated, "if the threat to China's northeastern border is eliminated," if Soviet troops are withdrawn from Afghanistan, and if the Soviet Union agrees to a solution of the Kampuchean problem along Chinese lines. Throughout the conversation, Qian underscored the fact that China continued to look with alarm at Soviet aspirations to world domination. And, he concluded, "the talks will last a long time. They will be marathon talks."[6]

An abrupt revival of polemics between Beijing and Moscow early in 1983 suggested that Qian's caution was not misplaced. In late

[4] Don Oberdorfer, "China Reported to Offer Soviets a Plan to Ease Cambodian Conflict," *The Washington Post*, January 17, 1983.

[5] Ba Yi radio, evidently a clandestine Soviet radio station broadcasting in Mandarin to China, contends that some Chinese leaders are against normalization with Moscow. See FBIS, *Daily Report*, China, January 17, 1983, p. K23.

[6] Quoted in *Die Presse*, Vienna, December 7, 1982.

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December, a prominent editorial in *People's Daily* stressed the need to give more moral and material assistance to the guerrillas in Afghanistan, and accused the Soviets of posing a "grave threat" to China's security by massing troops along China's narrow border with Afghanistan. It concluded that the Soviets wanted to turn Afghanistan "into a springboard for its southward drive," and that the "Soviet aggression against Afghanistan is a major step in the Soviet global strategy for world domination."

The Soviets lost little time in firing back. Early in January, a Soviet journal said that Beijing was undermining the fragile movement toward détente by keeping longtime territorial claims and disputes alive and infusing its people with anti-Soviet sentiment. The Soviet journal chronicled in great detail the dissemination in China of claims to territories allegedly seized by the Russian tsars. It concluded that the Soviet impression was that "the Chinese side is keeping the border issue" as an "expedient for retarding the process of normalization."

In February, U.S. Secretary of State George P. Shultz visited China, and this visit was followed in early March by the opening of the second round of Sino-Soviet talks in Moscow.

In sum, more than a year and a half after the Chinese decided to reconsider opening "normalization" talks with Moscow, there have been few concrete results. From this record, it seems reasonable to conclude that the pace of normalization is likely to be rather slow.

III

Viewed objectively, both the Chinese and the Russians have a great deal to gain from reducing tensions. For Beijing, the Maoist policy of confrontation was both risky and costly. It was risky because it might have led to an unwanted military conflict for which China was ill prepared. It was costly because it meant increasing military spending at a time when China's resources were spread painfully thin. The post-Mao leaders have evidently decided to reduce both the risks and the costs of confrontation. They believe that their most urgent priority for the next decade or two is to modernize China's economy; to do this, they require a peaceful international climate, increased trade with Russia, and the avoidance of any big increase in defense spending. In a word, the Chinese leaders want a breathing space with Moscow in order to concentrate on economic development.

In this context, the Soviet Union will be a particularly attractive trade partner for China, because, although not as affluent as the West, it will bring with it few ideological or cultural problems and

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it will trade with China on a barter basis, thus eliminating the kinds of balance-of-payment frictions that have developed with the United States. Moreover, for reasons of proximity, border trade with Russia will be particularly attractive to the Chinese.

By normalizing relations with the Russians, China could also hope to achieve much greater maneuverability and flexibility in the great-power triangle and thus put itself in a position where it could extract concessions from both superpowers. In the earlier situation of frozen relations with Moscow, Beijing could not exert much leverage on either Moscow or Washington. The Russians saw no advantage in making concessions to China, and the Americans had no need for such concessions.

The Chinese may also hope to manage their adversarial relations with Moscow more effectively through détente. This was, after all, the philosophy behind American thinking on détente with the Russians in the early 1970s. Distancing itself somewhat from Washington also helps China to enhance its image of independence, particularly in the Third World, which China seeks to lead. Also, now that Moscow has a new leader, the Chinese have strong incentives for testing just how far Yuri Andropov is really prepared to go in an effort to improve relations. Finally, China may now see a reduced Soviet capacity for adventurism as an opportunity to test the Kremlin's willingness to compromise. The Russians are bogged down in Afghanistan and Poland, and the tough line of the Reagan Administration toward Moscow is probably one of several reasons why the Russians have been unusually moderate throughout 1982 in the Lebanese war, in Africa, in the Middle East, and even in Central America.

The effort to conclude a détente with Moscow, however, should be seen as only one part of a larger shift in Chinese foreign policy that has been taking place since 1981. That shift involves some distancing from the United States as well as attempts to normalize relations with Moscow, and renewed stress on China's relations with both the "Third" and "Second" worlds. This shift in Chinese foreign policy was doubtless motivated by a variety of factors, but the Chinese must have been somewhat uncomfortable at placing themselves in a position where they had become too dependent on the United States. The proud, highly nationalistic Chinese were not suited to be the junior partner of the Americans any more than they were suited to be Moscow's junior partner in the 1950s. Their present stress on "independence" reflects a desire both to gain greater future maneuverability and to carve out a fully independent place in world politics.

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The Russians have equally powerful incentives for wanting détente with China. At a time when Soviet relations with the United States are at a low ebb, the Soviets have a strong incentive to try to play their "China card" against the United States. Moscow could hope to put some pressure on the Reagan Administration to be more flexible in strategic arms negotiations. Improving relations with China will also help ease the Soviet Union's two-front problem by undercutting any strategic cooperation between Washington and Beijing. In the long run, of course, Moscow hopes to break up the Washington-Beijing rapprochement. Writing in *Izvestia* on January 31, 1982, the influential Soviet journalist, Aleksandr Bovin, concluded that the Sino-American relationship was no more than a marriage of convenience marked by mutual suspicion and the desire of each partner to outmaneuver the other. He predicted that the relationship would finally come apart as a result of fundamental differences in ideology and global interests.

The wretched state of the Soviet economy is also a factor. Brezhnev's speech to Soviet military leaders just before he died clearly indicated that the Kremlin sees a connection between easing its military and economic burdens on the one hand, and reducing tensions with China on the other. Calm on the Siberian border could also alleviate the Soviet Union's present crisis of overextension. With 105,000 troops in Afghanistan, a simmering crisis in Poland, and an East European empire that has accumulated a substantial debt to Western banks, Moscow might well welcome a breather with China. Finally, it should be noted that every new Soviet leader since Stalin's death has attached a high priority to trying to improve relations with China. It would be a great coup for Andropov if he could succeed where his predecessors failed.

IV

Although there are strong pressures on each side to ease tensions with the other, there are deep-seated suspicions and fears as well as conflicts of geopolitical interest that will make any détente process difficult.

On the Soviet side, there is what Henry Kissinger once called a deep "neuralgic" fear of China, a fear that extends from the leadership down through the entire society, including the dissidents. Even Solzhenitsyn considers the Chinese a long-range enemy of Russia. Soviet political prisoners in prison camps with Andrei Sinyavsky in the 1960s told him they would side with the West in any future war with Russia, but they would fight with Russia against China. In the small towns of Siberia, according to Sinyavsky, most

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people believe that war with China is inevitable. For some indication of this visceral fear of China at the highest level of the Soviet leadership, one need only consult Nikita Khrushchev's memoirs. His meetings with Mao, said the former Soviet Premier, sent shivers down his spine.

This visceral fear of China is reenforced by the geopolitical vulnerability of Siberia and the Soviet Far East. That portion of the Soviet Union is sparsely populated, it is a long distance from European Russia, it is very difficult to reenforce, and it is very difficult to develop. These problems will only partly be overcome when the new Baikal-Amur Railroad is finished sometime in the next few years. It was for this reason that the Soviets carried out a major military buildup on the Chinese border during the late 1960s and early 1970s—a buildup that has permanently altered the military geography of the frontier with the establishment of underground silos, airfields, missile bases and new highways. This permanent military transformation of the border is the decisive strategic change that has taken place in the Far East during the past two decades; it will not be altered by symbolic Soviet drawdowns along the border.

Then, too, Soviet fears of China are reenforced by continual Chinese harping on China's "lost territories," which, according to Beijing, were forcibly taken from China by the Russian tsars in a series of "unequal treaties" signed in the nineteenth century. Although the Chinese do not now demand the return of those territories, ever since Mao told some Japanese socialists in 1964 that the Chinese had not yet presented their "bill" to Russia for those territories, the Soviets have had to think about China as a potentially revanchist power once it becomes strong.

Some indication of the deep suspicions of China that exist within the Soviet Central Committee and Foreign Ministry can be gleaned from two articles that appeared in the Soviet journal *Far Eastern Affairs* after Brezhnev's Tashkent speech of March 24, 1982.[7] One was written by "O. Borisov," the pseudonym for Oleg B. Rakhmanin, first deputy head of the Central Committee's Department for Relations with Socialist and Workers' Parties, and one of the most powerful of the China specialists in the Soviet elite. The second article was written by "M. Ukraintsev," the pseudonym for M. S. Kapitsa, recently promoted to Deputy Foreign Minister, and

[7] O. Borisov, "The Situation in the P.R.C. and Some Tasks of Soviet Sinology," *Far Eastern Affairs*, No. 3, 1982, Moscow; and M. Ukraintsev, *op. cit.* On Soviet pseudonyms, see the forthcoming article in *China Quarterly* by Gilbert Rozman and the doctoral dissertation in progress at Columbia University by Chi Su.

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probably the most experienced Soviet diplomat in dealing with China over the past two or three decades.

Rakhmanin's assault on the Chinese was hard-hitting and comprehensive. It included the following accusations:

— The Chinese leaders have adopted practices and doctrines that run "counter to the principles of socialism."
— Beijing's heretical stance has implications that transcend bilateral Sino-Soviet relations and threaten the ideological orientation of the entire international revolutionary movement.
— The struggle against "distortions of scientific socialism" is particularly important at a time when an alliance is shaping up between anti-communism of the Reagan brand, Beijing's social chauvinism, and various brands of opportunists and right-wing nationalists.
— The post-Mao Chinese leaders continue to throw mud at the Communist Party of the Soviet Union.
— Beijing's recent "tactical maneuvers" to improve relations with the Soviet Union are designed to "blackmail the West with threats of improving relations with the Soviet Union."
— The ideological reorientation now under way in China is simply designed to make Maoism more flexible, while retaining its essence of Sinified Marxism plus a hegemonistic foreign policy and anti-Sovietism.
— The changes in China's domestic policy are not significant and they are aimed at providing a more dependable basis for Beijing's anti-Sovietism.
— Under the P.R.C.'s constitution and the rules of the CCP, struggle against the Soviet Union is a constitutional and a statutory duty of each citizen and each Party member, reflecting repeated Chinese statements that struggle against the Soviet Union is a long-term task.
— It is up to China to take initiatives to improve relations; the Soviet Union has done all it can.

It seems fair to conclude from this analysis, coming as it did right on the heels of the Brezhnev Tashkent speech, with its overtures to China, that powerful figures in the Soviet Central Committee have deep reservations about the wisdom of making any concessions to China in the interests of détente.

Kapitsa's reservations about détente with China were expressed in more measured terms but were equally apparent. Reviewing the origins of the Sino-Soviet conflict, Kapitsa concluded that it was all the fault of China.

— After Stalin's death, Mao began claiming to be the leader of

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the world communist movement.

— Mao was eager to launch an immense nuclear-missile program whereas the Soviet Union maintained that such a step was unreasonable and would complicate the struggle for disarmament and peace; the Soviet Union had sufficient military strength to protect all the socialist countries.
— Mao and other Chinese leaders wanted to incorporate Mongolia into China.
— Finally, in the late 1950s, Mao insisted that the Soviet Union should deliver a nuclear strike at the United States and its allies and that the task of eliminating U.S. imperialism was worth the sacrifice.

Against this background, Kapitsa continued, China split with Moscow and "joined hands" with U.S. imperialism. The Soviet Union then proposed a variety of measures to halt the deterioration of relations, but Mao and his group did all they could to aggravate relations. They staged armed provocations at the border in 1969 both in order to poison the minds of the Chinese people against the U.S.S.R., and to make it clear to the United States that China wanted a rapprochement on an anti-Soviet basis.

How did it happen, Kapitsa inquires, that China, initially an ally of the socialist states, could become a junior partner of U.S. imperialism? His answer is that during and after the revolution in China there was a fierce struggle within the CCP between "internationalists" and "national chauvinists" and that, by the end of the 1950s, the "internationalists" had been exterminated or ousted. During the Cultural Revolution, those who survived were sent to reeducation camps or massacred.

This Maoist chauvinism, Kapitsa concluded, was reenforced by several thousand years of Chinese history which dictates that barbarians should be subjugated by other barbarians and that any means from simple deceit to war can be used in the struggle against barbarians.

As to China's reasons for wanting some relaxation of tension with Moscow, Kapitsa sees essentially two motives. First, China wants greater freedom for maneuvering in the international arena; second, China wants to increase trade, and scientific and technological exchanges with the U.S.S.R.

In sum, although not quite as hostile to China as Rakhmanin, Kapitsa is far from enthusiastic about the prospects for Sino-Soviet détente and rather skeptical about China's motives.

Suspicion of, and skepticism about, the Soviet Union on the Chinese side is equally deep rooted. The Chinese see a long history

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of Soviet efforts to dominate China and the CCP. They see the Soviet Union as the heir to tsarist Russian imperialism. They are well aware that they cannot hope to deal with the Russians from a position of weakness and, for this reason alone, they will undoubtedly want a continuation of their American connection, both as insurance against, and stimulus to, Moscow. Finally, there can be little doubt that over the next decade or more, the Chinese see Russia as their main threat. After all, it is the Russians who are in Afghanistan, Mongolia and Indochina; and it is the Russians who maintain such large forces on the Chinese border.

Some indication of the kinds of suspicions and grievances that the Chinese hold about the Russians can be found in an article written in 1979 on Sino-Soviet relations by one of China's leading specialists on the Soviet Union, Liu Keming, Director of the Institute of Soviet Studies in the Beijing Academy of Sciences.[8] At the very moment that the first round of normalization talks was proceeding, Liu ticked off ten basic complaints about the Soviet "hegemonists":

— They have consistently tried to control China. In 1958, they proposed the establishment of a joint fleet which actually had as its purpose an effort to control the Chinese coastline. After 1959, the Soviets tried to prevent China from acquiring its own nuclear weapons. They wanted to turn China into a "nuclear protectorate" of the U.S.S.R.
— The Russians have repeatedly carried out divisive activities in China's border regions. In particular, they have had an eye on incorporating Inner Mongolia into the U.S.S.R.
— The Russians have repeatedly carried out subversive activities against China with the aim of establishing a pro-Soviet regime in China.
— The Soviets have obstructed the solution of the border problem by refusing to acknowledge the existence of disputed areas.
— The Soviets have greatly increased their troops along the border to strengthen their whole strategic position in Asia and to intimidate China.
— The Soviets have turned Mongolia into a forward base from which to make military threats against China.
— With Soviet support, Vietnam has invaded Kampuchea and made territorial claims against China.

[8] Liu Keming, "Soviet Foreign Policy: On Sino-Soviet Relations," a paper prepared for the Sino-American Conference on International Relations and the Soviet Union, organized by the Research Institute on International Change, Columbia University, November 8-11, 1979, in Washington, D.C.

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— To obstruct China's four modernizations, the Soviets have tried to interfere in China's trade with the West.
— The Soviets have sought to isolate China from Japan, the United States and India.
— The Soviets have spread lies and distortions about China's positions, seeking to slander China as an aggressive power out to provoke a world war.

In sum, Liu's article contends, the Soviets want to turn China into a client state; they have developed the traditions of Russian imperialism; they cannot allow a strong and powerful China at their side any more than they could allow the emergence of a powerful Europe in the West. To cope with Russia, Liu argues, China must deal from a position of strength. Even if relations were to be normalized on the basis of the five principles of coexistence, he writes, the normalization process would be "protracted, difficult and complex."

In addition to mutual suspicions and fears, the geopolitical conflicts of interest between the two sides will greatly increase the difficulties of reaching any kind of détente. The Soviet Union is unlikely to withdraw from Afghanistan because such a withdrawal would, under present conditions, ensure the collapse of its client government under Babrak Karmal and lead to an anti-communist and anti-Soviet government. The Soviets are not in a position to force Vietnam to withdraw from Kampuchea and, under present circumstances, it is not in Vietnam's interests to do so. A Vietnamese withdrawal from Kampuchea might well lead to the return to power of the Khmer Rouge, the strongest of the guerrilla resistance forces now fighting against the Vietnamese in that country. Nor are the Chinese likely to withdraw their support from the Khmer Rouge and its partners, Prince Sihanouk and Son Sann, in the tripartite coalition that is actively resisting the Vietnamese occupation. Finally, the Soviets almost certainly will not withdraw their forces from Outer Mongolia, a country that has been a Soviet protectorate since the 1920s. Thus, the prospects do not seem very bright for any substantial compromises on the geopolitical obstacles to normalization raised by Beijing.

V

Although there are many roadblocks standing in the way of "normalization" of Sino-Soviet relations, the process will still go forward. There will be an increase in trade, particularly in border trade. There will also be increases in cultural, economic and technological exchanges, and in diplomatic contacts; tensions on the

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border will continue to diminish; and there will be some reduction in mutual polemics.[9]

Of the various "demands" made by the Chinese for lessening tension, the one issue on which there is some prospect for Soviet concessions is the matter of Soviet troop dispositions on the Chinese border. The Soviets may make a modest and symbolic drawdown of Soviet forces as a gesture of goodwill to the Chinese.

There are, however, thorny problems involved in such a move. First, a symbolic gesture may not go far enough to merit much of a Chinese response. Second, the Soviet troops are deployed quite far forward due to the particular configuration of the border: the trans-Siberian railroad which those Soviet troops guard is located very close to the Chinese border. The Chinese troops, on the other hand, are deployed much further back from the border. Thus, any concessions on the deployment of troops will have to be unilateral Soviet concessions, at least initially. Also, if the Soviets pull back some troops from the border, this might lead the Chinese to argue that the Soviets are now in principle agreeing with them that there are "disputed areas" along the border, something the Soviets have refused to do in the past. Finally, the Chinese are specifically insisting on a pullback of some Soviet forces from Outer Mongolia.[10] This is bound to be a delicate issue for the Russians because it involves their commitment to a country on which the Chinese may well have designs. (According to Kapitsa, Mao wanted to incorporate Outer Mongolia into the People's Republic.)

On the whole, then, progress in détente between Russia and China is likely to be painfully slow. There are two basic reasons: on the Soviet side—inflexibility; on the Chinese side—a tactical interest in going slow.

Soviet policy in the Far East during the past two decades has been described by many Western analysts as "inflexible."[11] There are many reasons for this Soviet rigidity: the geopolitical vulnerability of Siberia; Moscow's classical "two-front" problem; the historical experience of four wars with Japan in the past 100 years or so; the open hostility of China under Mao; the territorial disputes with both China and Japan; the emerging entente between China and Japan, and between China, Japan and the United States; the

[9] According to Deng Liqun, director of the Chinese Central Committee's Propaganda Department, the situation on the border, both in the eastern sector, in Heilongjiang, and on the western sector, in Xinjiang, has "improved greatly." See Deng's interview with Guiseppe Boffa, *L'Unita*, Venice, January 30, 1983 (reprinted in FBIS, *Daily Report*, China, February 2, 1983, pp. A1-A5).

[10] *Ibid.*

[11] For a recent survey by Western analysts of Soviet policy in the Far East, see Donald S. Zagoria, ed., *Soviet Policy in East Asia*, New Haven: Yale University Press, 1983.

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slow but steady growth of Japan's defense capabilities; the relative political isolation of the Soviet Union in Northeast Asia and in non-communist Southeast Asia; and the ultra-conservative "political culture" in the Soviet Union. Given this set of factors, it is quite unlikely that the Soviets, even under a new leader, will make any bold concessions toward China or Japan on any of the key issues in dispute. The recent Soviet blast at China for keeping alive the territorial dispute and the attempt to intimidate Japan by threatening nuclear retaliation in response to Prime Minister Nakasone's promise in Washington to turn Japan into an "unsinkable aircraft carrier" are two recent indications that there is not going to be any sweeping change in the Soviet Union's attitudes toward its two major adversaries in the Far East.

On the Chinese side, progress in détente with Russia will be slow because it is not in China's interests to go very fast. The P.R.C. can hope to extract the largest number of concessions from Washington by moving deliberately but slowly toward a new relationship with Moscow. Too rapid progress carries the danger of so alarming the United States as to jeopardize the American connection altogether. China's interest is in worrying the United States about the "threat" of a Chinese détente with Moscow, not in going too far toward achieving such a détente.

Thus, in the coming year or so, while there is likely to be an improvement in "atmospherics" between Russia and China, there will not be any change in the fundamental strategic situation and even the pace of "normalization" will be very deliberate on both sides. In short, the Sino-Soviet détente will remain a "tactical" détente. Both sides will have very limited and very modest objectives. The détente will not constitute a far-reaching strategic change in the international balance of power, as did the U.S.-P.R.C. rapprochement in the 1970s.

VI

A Sino-Soviet détente has both potential dangers and potential advantages for the West. Of course, a great deal depends on how far such a détente goes. But, for reasons that have been advanced, a far-reaching accommodation between the two adversaries is hardly conceivable. More likely is a limited détente which would include an increase in trade and exchanges of all kinds, some limited withdrawals from the border, and some efforts to reduce tensions on a variety of levels.

The dangers can be briefly described. If tensions on the border

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with China were drastically reduced, the Soviets could contemplate moving some of their troops in the Far East to Europe or the Middle East, thus increasing pressure on the West on other fronts. Such a development, while conceivable, is highly unlikely. The Soviets will not dismantle their Siberian base structure just on the basis of a tactical détente with China. The Soviet military establishment, which is an important constituency for Andropov, will almost certainly veto any such plan. Moreover, the Soviets will want to maintain an overwhelming conventional military superiority over all their adversaries in the Far East—not just China, but Japan and the United States as well. And while the threat of a China-Japan-U.S. alliance against the U.S.S.R. has temporarily receded, the Soviets cannot be sure that it will not one day be resurrected.

Short of moving troops from one front to another, it is possible that a Soviet Union freed from concern about its Siberian front might become more adventurous on other fronts. But there is no clear relationship between Sino-Soviet relations and Soviet adventurism. The Soviets were on the offensive in the Third World from Angola to Afghanistan in the period from 1975 to 1979 at a time when their relations with China were still relatively frozen. They have been somewhat more passive in the past year or two at a time when their relations with China were improving. This is not to discount the possibility that there *may* be a connection between an easing of Sino-Soviet tensions and Soviet adventurism; it is simply to suggest that many factors influence Soviet foreign policy—internal factors, relations with the United States, estimates of risk, etc. Sino-Soviet relations are only one such variable.

Moreover, if the Soviets, as a result of reducing tensions with China, were to embark on a more adventurous policy on other fronts, it is doubtful that the Sino-Soviet détente would survive. It is not in China's interests to encourage Soviet adventurism. Also, under such circumstances, China's ties with the West would come under enormous strain and the Chinese would probably be forced to choose between the advantages of a tactical détente with Moscow and the much greater economic and strategic advantages of their Western connection.

A Sino-Soviet détente, even of a limited kind, will increase both Chinese and Soviet leverage on Washington, but the advantages of such leverage are not likely to be substantial. As long as Washington is convinced that there are serious limits to any Sino-Soviet détente, it will not pay a high price to avert it.

A more sobering consideration is that a more independent China, particularly a China which continues to adhere to a communist

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ideology, is likely to support a variety of anti-American movements and sentiments in the Third World. Particularly in the Middle East, Africa and Central America, China will probably increase its support for countries and movements opposed to American policy.

A more worrisome scenario for Washington would materialize if the Sino-Soviet détente were to be accompanied by a radical deterioration in Sino-American relations. Under such circumstances, the Soviets might be emboldened to increase their concessions to China and the Chinese might become more receptive. And if such developments were accompanied by a further fragmentation of the Western alliance over such issues as the deployment of nuclear missiles in Europe, the overall perception would be one of a Western alliance in disarray. In time, this could lead to a major shift in the balance of power against the West. Thus, it would be unwise to regard the present trends in the great power triangle with complacency.

Viewed in this light, a good deal depends on the stability of American-Chinese relations. The recent visit to China by Secretary Shultz seems for the moment at least to have arrested the process of deterioration. Prime Minister Zhao Ziyang told Shultz he would visit America, and he invited President Reagan to come to China. Significantly, however, Zhao was unwilling to set a date for his trip. The United States and China did not agree during the Shultz visit on preliminary steps to revive high-level military contacts that were largely suspended after the Reagan Administration took office two years ago. The Taiwan problem remains a substantial irritant, along with frictions over trade and technology transfers, and these issues will have to be very skillfully managed in the years ahead.

In general, one can be cautiously optimistic about the future of Sino-American relations. The Chinese, skilled in the art of realpolitik, know very well that their long-range interests depend on containing the advance of Soviet power and that an American connection is indispensable in order to achieve this goal. And although the Reagan Administration was initially rather cool toward China, it has in the past year or so demonstrated an increasing awareness of the importance of stable Sino-American relations for the maintenance of a favorable global balance of power.

Barring a radical deterioration in U.S.-Chinese relations, it is difficult to conceive of any great catastrophe for the West as a result of a modest improvement in Sino-Soviet relations. The West, after all, does not have a stake in a very high level of Sino-Soviet tension. Its stake lies in an autonomous, independent China with stable, friendly ties to the West.

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Almost all of the benefits that the West has derived from the Sino-Soviet split will continue even under conditions of a modest détente. China, for its own reasons, will continue to serve as a counterweight to Soviet expansion, particularly in such Asian areas as Indochina, Korea, and Pakistan. China will still want American power and influence in Asia, particularly in Japan, in order to counter the Soviets; this is why China continues to oppose any North Korean adventurism against South Korea, because it does not want to get involved in a war with the United States at a time when it is most concerned about Soviet expansion. China will continue, too, to reduce its support to Southeast Asian insurgencies, because it wants to cultivate relations with the governments of Southeast Asia in order to oppose Vietnam and the Soviet Union. In sum, for a variety of reasons, the American military burden in Asia will continue to be eased as a result of the adversarial relationship between China and Russia.

Are there any advantages to a limited Sino-Soviet détente? First, war between Russia and China is surely not in anyone's interest. Also, if the two adversaries were eventually to agree on Soviet withdrawals from Afghanistan or Vietnamese withdrawals from Kampuchea, this would benefit and not harm Western interests. Then, too, a Soviet Union that was somewhat less "neuralgic" about China might be more flexible on arms control negotiations with the West.

VII

But the larger point is that Americans need not fear a Sino-Soviet détente because the United States will continue to occupy the pivotal position in the strategic triangle and because there may now be an opportunity to make that triangle more stable.

Both Russia and China want something from the United States that they cannot get from each other. Both want trade and technology. China, in particular, knows that the Russians cannot possibly supply the quantity and quality of technology it desperately needs to modernize its economy.

Moreover, both Russia and China need the United States as a partner. Russia knows that the most crucial relationship for it in the coming decades will remain its relationship with the United States. While it will seek to influence American behavior by applying pressure on, and courting, third parties from Europe to China, the Soviets know that they must come to terms with America, at least to avoid an escalation of the arms race which they can ill afford. The Chinese, for their part, know that the Russians will remain

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their main adversary over the coming decades, and they will have a common interest with the United States in containing Soviet expansion. Thus, while both Russia and China will seek to maneuver within the triangle in order to improve their bargaining positions vis-à-vis America, both need better relations with the United States.

A limited Sino-Soviet détente could in fact have the long-range effect of producing a more stable and less dangerous great-power triangle. In the 1970s, the Soviets had to worry about a U.S.-Chinese alliance directed against them. There was always the risk that the Soviets might be provoked into some kind of adventurist action to break up that incipient alliance. A gradual buildup of the Chinese armed forces and a developing relationship between the United States and China, even if it contains some military aspects, will look much less threatening to the Russians if there is a Sino-Soviet détente rather than a Sino-Soviet confrontation.

A modest détente between Moscow and Beijing might even improve the chances for a more restrained and cautious Soviet foreign policy. The Chinese will presumably tell the Russians that further adventurism in Asia or Africa comparable to what the Russians did in Angola, Afghanistan, Ethiopia and Indochina will arrest the prospects for normalization. This will reenforce the similar messages of the Reagan Administration about the conditions for a revival of détente with the United States. Thus, the Russians will have increased incentives for pursuing a more cautious policy in the Third World if they want to improve their relations with both Beijing and Washington.

Also, a modest improvement in Sino-Soviet relations and a slight loosening of ties between Beijing and Washington could lead to greater realism on all sides of the triangle. The Carter Administration oversold the "strategic consensus" with China, and alarmed a number of our Asian friends and allies who see China as a potential long-range threat to their own security. To the extent that the Reagan Administration lowers expectations about what advantages we can derive from China, and they from us, it will lay the basis for a healthier long-term relationship. It was an illusion to believe that the United States and China could become close friends. There are too many differences of ideology, values and interests. What is possible and desirable is a stable and cooperative long-term relationship based on a common opposition to Soviet aggrandizement and a Western willingness to help China modernize. But neither the United States nor China can be expected to sacrifice any of its basic principles in the process.

The profound ideological differences between China and the

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West mean that, on the Chinese side, there will always be a fear of Western cultural infiltration and liberal pollution of intellectual life. On our side, we will continue to differ with China not only over the future of Taiwan but over the future shape of much of the Third World and much of the communist world as well. Continued Chinese support for Pol Pot in Kampuchea is one indication of that. China's indifference to the fate of the Polish workers' movement is another. In sum, we ought not to forget that China remains a highly authoritarian communist state with an outlook on the world profoundly different from our own. We can and we should find common ground with such a country, particularly when it comes to opposing Soviet aggrandizement, but we should have no illusions about the strength of those bonds. That is why the Reagan Administration is right to attach a higher priority to Japan than to China. Over the long run, a firm U.S. alliance with a democratic Japan is one of the best guarantees we have of maintaining a favorable balance of power in Asia.

In historical terms, what we are now witnessing is the reassertion of China, after more than a century of weakness, as an independent great power. Such a China cannot be manipulated by either of the superpowers. Just as the Soviet Union found in the 1950s that it could not "use" China against the United States, so the United States has now discovered in the 1980s that it cannot "use" China against the Soviet Union. China is not a "card" to be manipulated in great power politics. It is a great power whose full weight has yet to be registered in international politics. Within several decades, and certainly by the twenty-first century, China will be a superpower in its own right.

What is certain is that an independent, highly nationalistic, and communist China will pursue its own fundamental interests on the world scene. In the 1980s, those interests will include the "normalization" of relations with the Soviet Union to some degree, greater independence from the United States, and a greater role in the Third World. But so long as China is encircled and threatened by Soviet power, and so long as the Soviet Union remains determined to alter the global balance of power in its favor, China will not be able to afford a policy of "equidistance" between the two superpowers. On the key issues affecting the central balance, China will continue to lean to the West.

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Hedley Bull

EUROPEAN SELF-RELIANCE AND THE REFORM OF NATO

The security of Western Europe requires us to explore a radically new line of policy to which, in the present debate about this subject, little attention has so far been paid.[1]

In this debate, two points of view are predominant. On the one hand, entrenched in government circles, there are the Atlanticists, who seek to recall us to the old verities of the Alliance: preservation of the existing structure of NATO, support for American efforts to maintain the nuclear balance, maintenance of a strong defense posture toward the East. On the other hand, acting as a powerful influence in public opinion, at least in all the northern European countries belonging to NATO, there are the Neutralists, who favor total or partial withdrawal from the Alliance, unilateral nuclear disarmament and expulsion of foreign nuclear bases, and, in some cases, reduction of conventional defense expenditure. We need, I believe, to examine a third alternative that would recognize the necessity for a more independent posture for Western Europe, but seek to base this on strength rather than on weakness. I call this a Europeanist alternative. It does not imply the break-up of NATO, but it does require its reform: the transfer from North American to European hands of a greater share of the burden of European defense, and along with it of a greater share of responsibility for decisions. In what follows I seek to show why this new policy should be pursued, what it would involve and how one might grapple with the difficulties to which it would lead, which I do not wish to disguise.

II

There are three reasons why the countries of Western Europe

[1] But see Bernard Burrows and Geoffrey Edwards, *The Defence of Western Europe*, Guildford (Eng.): Butterworth Scientific, 1982.

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should explore a Europeanist approach to their security. First, the old formulas of North Atlantic unity do not adequately recognize the differences of interest, both real and perceived, that divide the United States from its European partners. There are differences over trade, made more urgent by the recession and more visible by the fact that the European Community negotiates as one bloc. There are differences over "values," which are often said to unite the Alliance, yet the moral attitudes of the present U.S. Administration toward questions of peace and social justice have contributed heavily to the alienation of West European opinion from the Alliance. There are differences arising over the commitment of the United States to a global struggle with the Soviet Union for power and influence. It is a European interest as well as an American one that in this struggle the United States should ensure that the Soviet Union does not establish military supremacy over the world as a whole, but Europe's interests in the struggle are not the same as America's: Western Europe has no particular interest, for example, in the restoration of the kind of U.S. predominance in the world as a whole that existed from the late 1940s to the early 1960s, which some elements in American society seek to rebuild for reasons of national pride or nostalgia, or misplaced ideological zeal. There are differences in attitudes toward political and economic change in the Third World, which the United States at present is inclined to resist and to equate with Soviet penetration, but to which West European countries, in their policies toward the Arab world, black Africa and Latin America (admittedly with some exceptions), have been more ready to accommodate in recent years.

More important than any of the above, for they touch the core of NATO itself, there are differences over the security of Western Europe. The basic common interest that underlies the Atlantic Alliance is that which all the members perceive in providing Western Europe with security, and—no less important—a conviction of its security, against the threat of Soviet attack. This common interest is still present, and is still recognized to exist by all governments and predominant public opinion in all the countries concerned on both sides of the Atlantic. But, in Western Europe, security against threats from the East is believed (correctly) to rest not only on the defensive strength of the West but also on preservation of the structure of agreements with the Soviet Union about political coexistence, normalization of frontiers and economic cooperation to which we give the name détente; in the United States, on the other hand, détente has been treated as subordinate to the wider needs of the global struggle with the Soviet Union. In

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Western Europe, moreover, the security of the region is perceived to be threatened, and is in fact threatened, not only by the military power of the Soviet Union but also by the possibility of war itself, especially of nuclear war, which could begin not only as the result of failure to deter the Soviet Union, but also through accident or miscalculation, or as the consequence of decisions taken by the United States.

It is true that the security of the United States also rests on a structure of understandings with the Soviet Union, even if the declaratory positions of the United States in recent years have tended to obscure this. The United States also faces a danger of war by accident or miscalculation and has a vital need for the control of nuclear armaments, as the American peace movement proclaims. But the United States is not as vulnerable to the effects of decisions on matters of nuclear peace and war taken by the West European countries as the latter are to the effects of decisions taken in Washington: it is the West European countries which are dependent on the United States for a nuclear deterrent against a Soviet attack, and it is on their soil that American nuclear weapons are deployed that can bring destruction upon them but whose use they are not able to control.

Differences of interest among their members should not be regarded as fatal to alliances, which never rest upon a complete identity of interests and only require a partial one. NATO has survived the differences that arose over German rearmament and over the Suez war in the 1950s, over Gaullism and the Vietnam War in the 1960s, and the oil crisis and the October War in the 1970s. It did so, however, by adapting to change. Underlying the peace movement in the West European countries and the wider spectrum of opinion that is uneasy about our present defense arrangements, there is the correct perception that the risks of alliance with the United States on present terms have grown to such an extent that they threaten to outweigh the gains. This points to the conclusion that the West European countries should seek to assume greater control of their own security, not by leaving the Atlantic Alliance but at least by seeking to change its structure.

Second, the policies advocated by the Neutralists, while they are based partly on a correct perception of the differences of interest between the United States and Western Europe, would expose the latter to Soviet domination. We do not have to suppose that the Soviet Union has some plan to invade Western Europe or to subvert its political systems; the evidence suggests that Moscow's chief preoccupations in Europe are defensive, and that if it has any hopes

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of extending its ascendancy in Eastern Europe to the West, policies to realize them are not given a high priority. But these Soviet intentions have been formed in a strategic context in which the defensive measures taken by the Western powers render aggressive plans in any case unrealizable. If the West's defensive guard were to be lowered, Soviet intentions would be likely to change; options not now taken seriously by the Soviet leadership would be likely to be taken more seriously, and, if they were not, a new leadership, prepared to adopt these options, would displace them.

If the West European countries were to choose to loosen their connections with the United States but at the same time to leave themselves without nuclear arms of their own, to allow their conventional defenses to run down and to take no steps to bind themselves together in a defense combination in which they could define their common interests and pool their resources, the likely consequence would be that Soviet hegemony would extend itself over the whole of Europe, even if not totally or at once. The security of Western Europe still requires that there should be a balance of military power on the European continent. If Western Europe is to disengage from the United States and rely upon it less in matters of defense, then it must seek to maintain the balance against the Soviet Union in Europe from its own resources.

A third reason why Western Europe should explore this new course relates to what may be called its dignity. The countries of Western Europe form one of the principal centers of population, wealth and human skills in the world today, and have a historical position that has placed them for centuries at the forefront of world affairs. There is no objective or material reason why Western Europe cannot provide the resources for its own security without depending on others; the reasons why it has failed to do so are not material but spiritual or psychological. It may be honorable for small and weak nations to look to outside powers to provide their security for them, as it was for the battered and impoverished European nations that looked to the United States when the Atlantic Alliance was formed in 1949. But it is demeaning that the rich and prosperous democracies of Western Europe in the 1980s (admittedly, to different degrees in different cases) should fail to provide the resources for their own security and prefer to live as parasites on a transatlantic protector increasingly restless in this role.

A policy of increased expenditure on armaments would impose a cost upon European standards of living. It would be unpopular with those elements in our societies that regard defense expenditure as mere waste and tell us that the money should be spent on building

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hospitals or aiding the Third World, forgetting that security is the first responsibility of every society and that societies which do not allocate an adequate proportion of their resources to providing for it do not survive. The effects of defense spending on industry and technology may be more harmful than beneficial, although this is not clear. But the cultivation of greater self-reliance in providing for the security of Western Europe might help to stimulate a process of renewal. It would certainly restore our self-respect. It would, I believe, by separating the issue of national and European defense from the issue of support for U.S. policies, help to make possible a rebuilding of the public consensus for defense policies, as has been done in France. It might bring about a more responsible climate of public debate about defense issues in place of the facile posturing and humbug about disarmament that constitute the sum total of what some of our political leaders have to say to us about our security. And it might clear away the sometimes shallow and uninformed criticism of American policies that thrives in Western Europe because so few people have needed to confront the problems of security in the nuclear age as they really are, and to think the issues through. I believe finally that it is only by confronting directly the problems of their security (and not, as the organs of the European Economic Community have done, seeking to steer clear of them) that the European nations can make progress toward realizing the idea of their unity.

III

The countries of Western Europe are superior to the Soviet Union in population, wealth, technology and military potential, and the idea that Russia is the naturally dominant power in Europe, against which Europe itself can construct no counterbalance without importing outside help, is a very recent one. It should not be regarded as an axiom left unquestioned during the next three or four decades of European politics, as it has been in the last. It remains unassailable only if we assume that the Soviet Union will retain its internal cohesion, that West Germany will remain militarily emasculated, that Western Europe is without any effective form of political and strategic unity and that its peoples remain unwilling to shoulder larger defense burdens. It is not unthinkable that a West European defense combination might one day have strength enough to balance the Soviet Union without bringing the United States directly into the equation.

But no serious student of these matters can imagine that such a

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goal is realizable now, or even that it can command sufficient support in Western Europe to be adopted now as a long-term goal. The physical presence of American troops in Western Europe and the deterrent effect of its strategic nuclear forces will remain necessary ingredients in Western Europe's security, and in its sense of security, for many years to come. Any steps toward making Western Europe more self-sufficient in military terms should be taken in such a way as not to jeopardize America's commitment to maintain them. What I do contend is that within the context of NATO, Britain and its West European allies should seek to develop a distinct European strategic pillar of the Alliance that will reduce the old dependence on the United States without creating a new dependence on the Soviet Union, and sustain the distinct interests and objectives of which West European countries are increasingly conscious in world affairs.

In relation to a number of major issues in world politics (world trade; détente in Europe; the conferences on European Security and Cooperation; policy toward the Middle East; policy toward black Africa) the countries of Western Europe, or at least (thanks largely to the process of coordination of foreign policies known as European Political Cooperation) those of them that are members of the European Community, now adopt substantially similar positions. It is not unrealistic to speak of the existence of a European foreign policy line, or even of the emergence of a diplomatic concert of West European states.

This emerging diplomatic concert, however, does not embrace matters of defense and security. For all the member-states of the European Community, leaving aside neutralist Ireland, it is NATO and not any European grouping that they regard as the association that is basic to their military security. The foreign ministers of the Community countries meet to coordinate their policies, but the defense ministers do not; the European Economic Community itself, despite some efforts within its Commission and within the European Parliament to prod it in this direction, has played no role in this field. It is true that the 1948 Brussels Pact linking Britain, France and the Benelux countries, expanded in 1954 to facilitate West Germany's entry into NATO and the renamed Western European Union, provides an association which is purely European and rests upon formal defense obligations more rigorous than those of NATO itself. But it is at present largely moribund, as well as being limited in its membership, and distasteful to West Germany because of its association with arms control restrictions discriminating against Bonn. It is also true that within the framework of NATO certain

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European groupings have sprung up—notably the Eurogroup, a caucus of European NATO members set up in 1968 but without the participation of France and the IEPG (Independent European Programmes Group)—concerned with various aspects of arms production and trade. But these do not answer the need for a combination of European powers that would in substantial measure shift the responsibility and the burden of defending Western Europe from American to West European hands.

The present distribution of responsibilities and burdens within NATO is still, despite some modification, that which was established in the early years of the Alliance when the United States enjoyed an immense preponderance of power—economic and political as well as military—in relation to its European allies. The United States assumed a disproportionately large share of the burdens—in terms of defense expenditures and with respect to both nuclear and conventional forces—and in return expected a privileged position in Alliance decision-making, which the allies freely conceded. Now that the power relationship between the American and European halves of the Alliance is less unequal, both parties are restive about the old arrangements, and adjustments should be made.

American opinion insists, very reasonably, that the European allies are now in a position to shoulder a larger share of the military burdens—not only of the conventional defense of Western Europe and its sea and air space and communications, but also of the defense of its interests outside the NATO area. At the same time, European opinion insists, also reasonably, that the United States can no longer assert the kind of predominance in Alliance decision-making to which it became accustomed at the time when the countries of Western Europe were, to one degree or another, its dependents or wards. American opinion, perhaps, has yet to recognize that a more equal sharing of the burdens of the Alliance must bring with it a diminished role for the United States in determining common policies. European opinion has yet to recognize that its claim to a larger part in Alliance decision-making has to be validated by a willingness to assume a larger share of common burdens. A European foreign policy posture that rests upon so-called "civilian power" alone, and is not made credible by military instrumentalities which European states control, will make only a limited impression on the rest of the world, and leave the European allies still with no alternative to following in the wake of the United States, where matters involving peace and war are concerned.

The immediate need is that the governments of the West European members of NATO should come together to define their

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common interests in the political and strategic fields, and devise means through which they may be promoted. At the center of these common interests there lies the issue of West European security, and the policies that should be devised are preeminently in the area of defense and arms control. Various forums for such conversations—the European Council (the meetings of heads of government of the Community countries), meetings of foreign ministers in the context of European Political Cooperation, a regular meeting of defense ministers—may be appropriate. What is necessary is that, in one of these ways or another, a European strategic identity should be brought into being, within the wider framework of the Alliance, and given permanent institutional form.

This is the present step which, it appears to me, is the vital one. What common interests in the field of security might be agreed upon were such a European strategic identity brought into being, and what policies might grow out of it, are more speculative questions. In what follows I seek to present, as it were, an agenda for a meeting, or series of meetings, addressed to these issues.

IV

A basic element in a Europeanist defense policy must be the strengthening of Western Europe's conventional defenses in relation to the Soviet Union. This requires a radical change in public attitudes toward defense expenditure, but some powerful arguments may be presented in favor of such a change.

It is now widely recognized that the Alliance needs to reduce its dependence on the early use of nuclear weapons to stem a Soviet advance in a conflict initially restricted to conventional weapons. Various schemes for reducing the likelihood that such a conflict might expand to the nuclear level now command a degree of public interest and support (a commitment to no first use of nuclear weapons; a nuclear-free zone in central Europe; a unilateral Western reduction in the number of battlefield nuclear weapons deployed in Central Europe), but such schemes can form part of a responsible security policy only if they are put forward in the context of the raising of conventional force levels to the point where they will provide an acceptable balance against those of the Soviet Union. We need, of course, to bear in mind that an acceptable balance does not necessarily require numerical equality of tanks, divisions, combat personnel, etc., given the advantages now thought to lie with the defensive in conventional warfare; and also that conventional rearmament does not imply abandonment of the longstanding (but admittedly thus far fruitless) attempt through the

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negotiations on Mutual and Balanced Force Reductions to reach agreement with the Soviet Union on reducing the level of the balance.

European conventional rearmament can also help to sustain the American public's flagging commitment to the defense of Western Europe. The defense efforts of the West European countries, especially of the larger ones, may not be as feeble relative to those of the United States as they are sometimes said to be in the latter country, but they certainly lag behind.[2] A withdrawal or drastic reduction of U.S. forces in the near future would present Western Europe with a crisis which it is still not ready to meet. At a time when demands for withdrawal in the United States are strengthened by public irritation toward Europe over conflicts of policy, growing attention toward American commitments in other areas of the world and the demographic shift away from the Atlantic seaboard, there is a West European interest in demonstrating a willingness to assume a greater share of common burdens.

Such a policy is also required if the West European allies are to substantiate claims for a larger role in the making of defense decisions. The West European allies, through consultative machinery to which I have referred above, should seek to establish common views as to the circumstances in which, and the ways in which, the Alliance should use or threaten the use of force in Europe. A restructuring of the present machinery of the Alliance, perhaps involving the appointment of a European to the office of Supreme Allied Commander, Europe, is desirable to this end. There is no possibility of agreement on changes of this nature unless the European member-countries can show, by increasing their role in European defense, that they are entitled to a greater voice in shaping it.

V

A basic cause of the legitimate anxieties being expressed in West European countries about security is their present dependence on U.S. nuclear forces deployed within some of them, over which European governments and peoples have no control, either in the positive sense of being able to order their use, or in the negative sense of having a veto over it.

[2] As a percentage of gross national product, the defense expenditures of the NATO countries in 1980 were: United States 5.5%; Britain 5.1%; France 3.9%; West Germany 3.2%; Italy 2.4%; Denmark 2.4%; Belgium 3.3%; Greece 5.1%; Netherlands 3.4%; Norway 2.9%; Portugal 3.8%; Turkey 4.2%; Luxembourg 1.0%; Canada 1.7%. (Source: *The Military Balance, 1981-1982*, IISS, London.)

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While Western Europe is confronted by a nuclear-armed Soviet Union, it is illusory to imagine that Britain and its European partners can dispense with the double-edged protection of their security afforded by a nuclear force. We must work to reduce our dependence on nuclear weapons, and to reduce the role played by nuclear weapons in world affairs more generally; and conventional rearmament will help us to do this, as argued above. But this does not mean that we can rely on a conventional defense alone. While the Soviet Union has the capacity itself to use, or threaten to use, nuclear weapons against us, we must seek a nuclear counterpoise to it. For the present, moreover, such a counterpoise cannot be provided without reliance on the United States.

We do, however, need to recognize the double-edged nature of the protection afforded by nuclear weapons, which on the one hand serve to deter attack by an adversary but on the other hand expose us to increased risks in the event of war. We have also to recognize that the risks for Europe are magnified because the nuclear weapons on which we mainly depend for this form of protection are not under the physical control of European governments. It follows from this that there are two objectives which Western Europe should seek to achieve: one is European control, in a negative sense, over U.S. nuclear forces deployed in Europe; the other is European control, in a positive sense, over nuclear forces serving the objectives of the European peoples themselves. Neither objective is immediately attainable, but we may at least identify the direction in which it is desirable to move.

Western Europe is now host to six or seven thousand U.S. nuclear weapons. Although their use is nominally subject to agreement by host governments, the latter do not have any physical capacity to veto their use, except under "double key" arrangements for employment of tactical or battlefield nuclear weapons held in U.S. custody. In Britain, for example, this situation applies to the nuclear-armed U.S. bomber forces deployed in the United Kingdom for many years, and presumably to nuclear-armed submarines using Holy Loch, as well as to the proposed cruise missile deployments. A basic European security objective should be to remove these weapons from European soil where this is consistent with European security, and to establish some form of European physical veto over their use where it is not. Such steps may be at the expense of the efficacy of deterrence of the Soviet Union; however, we have to bear in mind the need to balance considerations of deterrence against the other risks to our security contained in the present arrangements. The proposed deployment of cruise and Pershing II

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missiles in certain European countries—whether or not it goes ahead in the absence of arms control agreements with the Soviet Union—should not be acceptable to European governments without physical arrangements that would provide the host governments with negative control.

If West European peoples are to reduce their dependence on U.S. nuclear protection, they must also grasp the nettle of establishing positive control over nuclear forces of their own. The obstacles to this course are familiar. The nuclear forces of Britain and France are miniscule compared to those of the United States. British nuclear policy is tied closely to that of the United States, and Britain's decision to purchase the Trident missile ensures that it will remain so tied. Neither Britain nor France has yet displayed any willingness to collaborate in nuclear weapons policy, either as regards production or strategy, and the latter has repudiated suggestions of some form of Franco-German collaboration. Outside Britain and France there has been little willingness in Western Europe to regard British or French forces as serving a European role, as opposed to purely national roles, or to regard them as possible substitutes for the U.S. deterrent. A European nuclear force is commonly thought to presuppose a European federal government, and thus to be beyond the bounds of practical possibility. Public opinion in some West European countries, moreover, is at present in an anti-nuclear mood, and would view proposals for increased reliance on European-controlled nuclear weapons with disfavor.

These obstacles appear to me less formidable than they are sometimes thought to be. The effectiveness of a deterrent force is measured not only by its size and technical capacity to penetrate defenses and bring about destruction but also by the values at stake for the deterrer in a given conflict. In a situation in which Britain or France itself is threatened, the fact that a nuclear force is under the control of the British or French government may be more important than its size relative to that of the U.S. force. We should not assume, moreover, that a West European nuclear force must duplicate the forces available to the United States and the Soviet Union; its purpose would not be to enable Europe to dispute world primacy with the superpowers, but rather to provide a minimum deterrent against the extreme and highly improbable contingency of a direct Soviet nuclear threat.

Britain and France are not now in a position to make arrangements for joint production of nuclear weapons, but this is no reason why they cannot enter into arrangements for coordination of policy

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and strategy. It is true that West European opinion as a whole attaches little credibility to the idea that British and French forces play a European role; but no attempt has yet been made to give them such a role, or to create structures that would lead other European peoples to regard them as having such a role. A first step in this direction would be the establishment of a European Nuclear Planning Committee, analogous to the NATO one, to which Britain and France would report on their policies in regard to nuclear weapons, and at which other European governments could make known their concerns.[3] A European political authority controlling nuclear forces of its own is indeed beyond the bounds of practicability at present, but this does not preclude the taking of steps toward a European role for the Anglo-French forces, especially at a time when concern about dependence on U.S. weapons is high in Western Europe, and a broad consensus about policy toward the East unites the West European countries.

The anxieties, including the many legitimate ones, which large sections of public opinion have today about our present dependence on nuclear weapons in no way preclude this course. For these anxieties derive in part not from reluctance to recognize the role that nuclear weapons must continue to play in our security, but from the fact that the particular nuclear weapons on which we chiefly depend are controlled by an ally whose policies in the matter of security are substantially at variance with those of the West European countries. In France, of course, where there are no foreign nuclear weapons or proposals to deploy them, but rather a national nuclear force, there is a broad basis of public support for the government's approach to nuclear security. It is notable also that, in Britain, public opinion polls indicate a majority against deployment of the U.S.-controlled cruise missiles, but also a majority for retention of a British nuclear force. This should not be put down to misguided nationalist sentiment in these two countries; it is eminently arguable that our security is better served by nuclear forces that we control than by those we do not. If West European governments can demonstrate that their attitude toward nuclear weapons is a responsible one, that they are committed to minimizing the role of these weapons and to paying proper regard to Soviet fears and susceptibilities, they should be able to secure public support for preserving the element of nuclear force that is still necessary for their security.

Soviet General Secretary Yuri Andropov's recent proposals that

[3] This has been suggested by Bernard Burrows and Geoffrey Edwards, *op. cit.*

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the size of the medium-range Soviet theater nuclear force should be related to the size of Anglo-French nuclear forces is interesting in this connection. There are familiar reasons why the Western powers should not accept it: Britain and France, like Western Europe as a whole, are threatened not only by Soviet theater forces but also by Soviet long-range forces; they would be unwise to appear to allow the Soviet Union the right to have a say in the size of their nuclear forces; and the West as a whole might hesitate to accept the principle that the Soviet Union may claim nuclear forces equal to those of the NATO allies in combination. Nevertheless, the concept of a European nuclear balance, which is not dependent on U.S. nuclear deployments in Europe (although it might still depend on U.S. continental and ocean-based forces) but basically on European-controlled nuclear forces, is one for which there is a great deal to be said.

An important task for a European strategic entity that is brought into being will also be to consider Western Europe's political and strategic interests outside the NATO area.

It is sometimes said, both by American critics bemoaning Europe's "parochialism" and by Europeans wishing to dissociate themselves from America's global involvements, that European interests are now purely regional.

This is a view which should be resisted. The countries of the European Community are collectively one of the great forces in world trade. Britain, France, Spain, Portugal, Belgium and Holland have enduring extra-European involvements arising out of their roles as colonial powers. Western Europe as a whole has a vital interest in access to Persian Gulf oil. Its security may be directly affected by relations between the Soviet Union and China, by racial war in southern Africa, by the outcome of conflicts in the Middle East, or by the prospects for a return to détente between the superpowers.

Western Europe's interests, vis-à-vis the great array of international political issues around the globe, are unlikely to be always the same as those of the United States. The fact that today the Community countries have taken somewhat different attitudes from the United States over, for example, access to oil and Middle Eastern issues, relations with South Africa, Central America and North-South relations, is a sign not of their parochialism but of their different interests and perceptions. Suggestions that there might be a division of labor in which the European countries concentrate on European defense and the United States on global issues wrongly take for granted an identity of interests and ap-

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proaches. It will surely be necessary for the European allies to develop their own capabilities to influence events outside Europe, rather than regard the United States as the trustee of their interests.

VI

A Europeanist policy is not possible unless a more positive role comes to be played by West Germany. Germany is the largest and richest country in Europe. It is only on the basis of West German power that a West European counterpoise to the Soviet Union can be constructed. This means that West Germany will need to play some role, even if at first a small one, in the control of European nuclear forces; that West Germany's already considerable preponderance in West European conventional land forces will increase; that the discriminatory arms control provisions applying to West Germany under the 1954 agreements must further erode, if not disappear altogether; and that West Germany must come to play a more prominent role in the taking of political and strategic decisions.

No step can be taken in this direction without at once encountering the old and powerful inhibitions felt by the Soviet Union and its Warsaw Pact allies, by West Germany's own allies and, not least, by the West Germans themselves, about the very idea that Germany might return to a "normal" status in world affairs. Even apart from these inhibitions, West Germany's continuing interest in the restoration of German unity, to which the Soviet Union holds the key, raises a persistent doubt about the permanence of its alliance with the West, which no number of affirmations of Bonn's unswerving loyalty will wholly eradicate. It must also be recognized that a decline in America's role in Europe's defense might lead to a reopening of the question of the status of West Berlin.

But these nettles, sooner or later, will have to be grasped. It will soon be 40 years since the end of the Second World War. West Germany is an exemplary social democracy. The broad lines of its present foreign policy enjoy a wide measure of support in Western Europe as a whole. The legitimization of its eastern frontiers has removed some, even if by no means all, of the sources of its neighbors' anxieties. It is on German soil that a war for the defense of Western Europe is most likely to take place. A sudden change would alarm all parties, but an accelerated evolution toward West Germany's assumption of a more normal role is a vital element in the package.

West Germany's continued interest in German unity does indeed raise the question whether its commitment to West European unity

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can ever be unqualified. It would be erroneous to suppose, however, that West Germany will be drawn irresistibly, in the long run, to opt for German unity rather than for maintenance of its West European ties, whatever the cost. If, over the last century, we have come to regard a politically united Germany as the norm, we have to remember that in a longer view of history—indeed, since the fall of the Hohenstaufen in the thirteenth century—the normal condition of Germany has been one of political fragmentation. Nor would it be correct to assume that West Germany is bound some day to have the option of restoring national unity; indeed, for as long as the Soviet Union remains a great power, this is unlikely.

The tensions arising from the unsolved problem of German unity are in any case a feature of the Alliance as it stands at present, in which there is no European strategic identity within the wider Atlantic framework; it seems likely that West Germany's loyalty to the West would not be weaker but stronger if there were a militarily powerful European pillar of NATO in which the Federal Republic were a leading element.

A Europeanist strategic policy, moreover, can have no meaning without the loyalty and commitment of France. In some ways the course I am prescribing for Western Europe as a whole has already been adopted by France: indigenously controlled nuclear weapons, loyalty to NATO but insistence on a distinct personality within it. Of course, it is possible to doubt whether France would be prepared to qualify its purely national aims in defense policy by participating in a European strategic grouping. France may be no more prepared to join an integrated military structure of a European character, supposing this were established, than it has been to remain in the integrated structure of NATO (from which it withdrew in 1966). France has so far given no encouragement to the idea that the European Community should involve itself in defense questions. Yet the recent proposal of the Mitterrand government to revamp the Western European Union, the grouping of seven European NATO countries set up in connection with West Germany's entry into NATO in the mid-1950s, demonstates some sympathy in France for the direction of the present argument. A European defense grouping today would not be likely to require France to merge its military identity into an integrated international structure of the kind France rejected when its National Assembly failed to ratify the treaty for a European Defense Community in 1954. France has also shown, as in the decision to station the Pluton missile in Germany, a willingness to move away from a purely national role for its nuclear forces.

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A Europeanist solution also requires a change of policy in Britain. There are many factors in Britain that cause it to hesitate before moving in the direction I have been outlining. Britain is the principal foreign architect of the American commitment to Western Europe. It has been in many ways a favored beneficiary of this relationship. Its reliance on America in defense is older than the Alliance itself. There is a deep fear within the older generation in Britain—in contrast to the younger—that American withdrawal would mean a return to the situation that existed before 1941 when Britain was uncomfortably alone in a Europe without America. There is the known antagonism of a majority of ordinary British people toward membership in the European Community. Within that very substantial section of the British public that is deeply uneasy about the American alliance, many are drawn toward the alternative example offered by neutralist, nuclear-free Scandinavia.

It is, however, with its European allies rather than with the United States that Britain is aligned on the most serious issues that divide the Atlantic Alliance, and it is only by combining with them that Britain can effectively promote its point of view. The idea, deeply embedded in Whitehall, that cooperation in political and economic areas may continue to develop among the European partners, while military matters remain the preserve of NATO, is basically unsound. If Britain were aligned militarily in a European combination within the Atlantic framework that could give priority to European interests and objectives, had the capacity to disengage from American policies when these were at loggerheads with those of Western Europe, and to take initiatives independent of America, a climate of public opinon more favorable to defense, including nuclear defense, might come about.

VII

A Europeanist approach to defense has to be worked out with careful attention to the reaction of the Soviet Union. Moscow might welcome a diminished American role in Western Europe, but not the emergence of a more powerful West European defense capability, especially if this were to involve a more prominent role for Western Germany, perhaps including what the Soviet Union would claim to be "a finger on the nuclear trigger." This is no reason to flinch from carrying out these policies; West European rearmament would indeed be intended to deprive the Soviet Union of options it would rather have; complaints are only to be expected. On the other hand, it is also an object of the Europeanist policy to preserve the fruits of East-West détente in Europe by disengaging from an

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American policy that puts them in danger. There would be a need, in strengthening Western Europe's military capacity, to do so in such a way as not to threaten the Soviet Union or undermine its interest in coexistence and cooperation. Western Europe would need to demonstrate its continuing acceptance of the territorial settlements reached between West Germany and its eastern neighbors, its continuing interest in economic cooperation with the Soviet bloc and its willingness to explore arms limitation in the European theater.

Western Europe already exerts a great attraction—economic, cultural and political—over the countries of Eastern Europe. It cannot and should not disavow its links with them, or its interests in political change in Eastern Europe and in a more intimate relationship with it; and it should continue to explore frameworks for all-European security and cooperation. But this should be on the basis of willingness to live with the Soviet-dominated socialist bloc and not of attempts to subvert it.

Equally important, a Europeanist policy would have to be executed with careful attention to its effect on the United States. There are good reasons why American opinion should be gratified by the emergence of a Western Europe that is more willing to shoulder the common burdens of defense, more united and more relaxed about its relationship to the United States because it has become less dependent on it. On the other hand, this Europe is likely to disappoint some of the expectations that Americans commonly have about it. It would be less willing to follow the American lead, more capable of working against American policies should it wish to do so, and more of a risk as an ally of the United States than one America is able to control. The policy I have sketched out would mean that the North American and European sides of the Atlantic Alliance were less effectively coupled to one another, if not wholly decoupled: this would carry both disadvantages and advantages for the United States, as it would for Europe. A division of the Alliance between American and European pillars, moreover, would be unwelcome in Canada, whose interest in maintaining a European defense commitment would be more difficult to sustain.

Nevertheless, a Europeanist policy would serve the best interests not only of Europe but also—at least in an enlightened view of what they are—of the United States. It might also provide the best prospects for preserving the unity of the Western world in the years ahead, when unity will only be possible on the basis of adjustments to changed conditions. These adjustments, however, will have to be carried out with care and sensitivity on both sides. If Western

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Europe has an interest in reducing its dependence on America, it also has to remember that it will need America's strategic support for a long time to come, and that a neoisolationist mood in the United States, fed by neutralism and anti-Americanism in Europe, may lead to a premature withdrawal. A turning toward what I have called a Europeanist course by the West European countries is bound to result in an America that will regard its interest in European defense more cautiously and critically; it will be for Europe to ensure that the United States continues to perceive this interest.

Finally, a Europeanist policy is not viable unless the nations of Western Europe can develop some appropriate form of unity. This is the greatest uncertainty of all.

There is as yet no supranational community in Western Europe but only a group of nation-states. Their history is one of endemic mutual conflict, and if they have recently established a habit of cooperation, this has been against the background of the physical presence of the United States and common fear of the Soviet Union. If the physical presence of the United States were reduced or eliminated, is there not a danger that the Western European nations would fall apart? In a crisis brought about by pressure from the East, would a putatively more self-sufficient Western Europe pull together, or disintegrate? If the present diplomatic concert of West European states has some capacity to endure, can it be stretched to include on the one hand neutral Sweden and quasi-neutral Denmark and Norway, and on the other hand Spain, Greece and Turkey, whose entry or projected entry into European institutions is likely still further to dilute their unity?

Every new course in politics, however, has to begin with some vision of an alternative to present realities. There are some important elements of unity on which to build. We do not have to wait for the European Community to evolve into a political federation. Important as the Community is as a symbol of European unity and a vehicle of cooperation, it is nation-states that are the major political realities in contemporary Europe, and it is their recognition of common interests that gives the idea of West European unity its chief content. The first steps should be taken by the major powers, which need to create a forum in which the European NATO allies meet at the highest level to define their strategic interests, and coordinate defense policies so as to promote them. They will need to discuss strategic plans and doctrines, defense budgets, arms and armed forces. They will need to assess Western Europe's strategic objectives outside the North Atlantic area, as well as within it. They

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will need to establish consultative procedures, administrative machinery and chains of command that will make the armed forces of the European pillar of the Alliance the instrument of common European policies. They will need to enter into binding commitments.

It would be wrong, I believe, to attempt to prescribe in detail the precise nature of the organizational structure or structures that might be devised, but there are a number of existing institutions which could be developed: the European Council—the meetings of heads of government of Community countries; the meetings of foreign ministers of the Community countries engaged in coordination of foreign policy; the Western European Union. It should be an objective to bring about ultimately a coincidence between the membership of the European strategic combination and that of the European Community.

The objective should be a West European military alliance—an alliance within an alliance, preserving the wider structure of NATO. There might ultimately be a European alliance without NATO, just as there was in 1948 when the Atlantic Alliance had not yet been established. The idea of a Europe responsible for its own security can breathe new life into the movement for European unity. The European Community will never become a community in the true sense while it continues to steer clear of this problem. If it were to take courage and grapple with the question of defense, which has always been much more at the heart of the issue of European unity than any matter of economic policy, it might recapture the vitality and sense of purpose which today it has so conspicuously lost.

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Elaine Sciolino

IRAN'S DURABLE REVOLUTION

> Do not step on Persian carpets or mullahs, for they will increase in value.
>
> —Persian Proverb

Four years after Ayatollah Ruhollah Khomeini's triumphant return to Teheran, Iran's Islamic Revolution has defied the doomsayers. It has weathered a series of convulsions, any of which might have brought down weaker regimes. The failure of the provisional government of Mehdi Bazargan stripped the middle class intelligentsia and bazaar merchants of power and influence, and deprived the regime of much-needed technocratic expertise. The hostage-taking contributed to Iran's diplomatic isolation and further damaged its economy. The border war with Iraq drained Iran's treasury and tested its military might. Terrorist activities by urban guerrilla organizations killed important revolutionary leaders and engendered fear among the populace. Yet the regime has managed somehow to survive.

This is due in large measure to erratic but shrewd state-building by Khomeini and the clerical leadership. The regime has integrated elements from the Shah's time into the revolution, built a domestic policy around national pride, religious fervor and self-sacrifice and a foreign policy on an adherence to "neither East nor West." Revolutionary institutions have been created, but many of the Shah's institutions have been kept; only the personnel have been changed. A desperate economic situation is looking hopeful for the first time since the revolution, in large measure because revolutionary ideology has given way to a more pragmatic approach. A new policy of less repression may signal the beginning of more personal freedom. The Iran-Iraq war ironically has given the regime the opportunity to create a battle-tested military force of the army and revolutionary militia—the most formidable in the region.

Iran, therefore, has survived certain tests, and achieved stability on its own terms. It remains committed to an ideology of revolu-

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tionary exportation which frightens its Muslim neighbors. Interestingly, the superpowers have been relegated to the sidelines in the unfolding of Iran's Revolution. Both the United States and the Soviet Union must face the fact that the Iranian regime is not going to collapse as long as Khomeini is alive, and there is no compelling reason to believe that the revolution will not survive his death. Even if his death did bring disruption, the rule of the clerics could survive it.

Indeed, the most likely outcome after Khomeini's death is a continuing Islamic Republic. The regime that now exists may not be unified, but it has shown the ability to maintain state institutions and retain power through repression. It may never completely consolidate, since the clergy is deeply divided on the form the revolution should take. But while the oil revenues hold out the regime is not likely to fall.

II

The West was slow to notice the first signs of the Iranian Revolution and quick to predict its demise. There were those pundits who until the end insisted that the Shah would last; others could not believe that a band of backward-looking clerics with no political experience could launch and then maintain a revolution. Finally, others listened to the words of Khomeini, sometimes distorted by his translators and associates, and imagined that a regime would emerge that condemned dictatorship and promised freedom, democracy, equality, even secular leadership. "We are for an Islamic system, that is, a democratic regime founded on popular consensus and Islamic law," Khomeini told this reporter.[1] Of his own acceptance of a political position, he reportedly said, "my age, my religious position and my inclinations are against it."[2] His aides gave the impression that after the revolution was in place, Khomeini would quietly return to the holy city of Qom and leave the workings of the revolution to the secular technocrats. This view was confirmed by Islamic scholars living in the West.

In the 400-plus interviews he gave during this four-month stay in Paris over the winter of 1978-79, Khomeini seemed to speak in language the West might be able to live with. It was only long afterwards that it was learned that Khomeini carefully prepared his answers in advance by committee, that he was patiently coached on what would be acceptable language for Western visitors, and that

[1] Private interview with Ayatollah Ruhollah Khomeini, November 19, 1978, Neauphle-le-Chateau, France.

[2] "The complete text of the recent interview given by Ayatollah Khomeini to *Le Monde*," Liberation Movement of Iran pamphlet, May 1978, p. 9.

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his trusted aides often embellished his answers to make them more palatable to a Western audience. "There was a committee who read Khomeini all the questions, and would discuss the answers with him," former President Abolhassan Bani-Sadr later told this reporter. "During the interview, sometimes the interpreter would fill out the phrases in his behalf."[3] Thus the impression of Khomeini transmitted through the media distorted perceptions of what an Islamic Republic might be like.

As soon as Khomeini returned triumphantly to Iran, he was freed from the constraints of exile and immediately made it clear that there was no room for a Western democracy or imported values in an Islamic Republic. His appointment of a Westernized liberal with impeccable Islamic credentials, Mehdi Bazargan, as his provisional Prime Minister was a tactical maneuver to keep opposition from the bazaar merchants, the liberals and the guerrillas to a minimum. A shadowy, clerically dominated Revolutionary Council ruled alongside Bazargan's Cabinet, setting up makeshift revolutionary courts and often enacting laws on its own authority. Khomeini, meanwhile, kept his promise and returned to Qom, but the Cabinet found it was spending much of its time shuttling by helicopter from Teheran to Khomeini's one-story bungalow there, to get his approval of any governmental decision.

Bazargan tried to preserve the instruments of power created under the Shah, resist nationalization, forge an open policy with all nations, and destroy burgeoning revolutionary bodies that had begun to usurp power. Khomeini ignored his complaints, tantrums and threats to resign. In the end, Bazargan was forced out. His "crimes" were many: he lamented the swift, secret trials and executions of Old Regime leftovers, opposed the Islamic Constitution as undemocratic and tried to normalize relations with the United States. He resigned two days after the hostages were seized in November 1979, condemned by the student militants holding the embassy for "sitting down at the table with the wolf," Zbigniew Brzezinski, at a conference in Algiers. As he bitterly explained in his resignation speech, "I was always the last to know what was going on. I found myself at a dead end."[4]

Similarly, the secular rule of Bani-Sadr, who swept to victory as President with more than 70 percent of the vote in January 1980, was doomed. Khomeini demanded a secular president, but he had already connived to put the real reins of power into the hands of a deeply vengeful and exceptionally organized clergy. Bani-Sadr's

[3] Private interview with Abolhassan Bani-Sadr, July 5, 1982, Auvers-sur-Oise, France.

[4] Mehdi Bazargan, resignation speech in Teheran, November 5, 1979, monitored on Iranian television.

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peculiar blend of Islamic socialism and Western freedom of expression was inadequate to deal with a country in the throes of the extraordinary hostage crisis, which the clerics effectively manipulated to consolidate their power. He tried and failed to get the hostages freed. Like Bazargan, his room for maneuver was limited by the overwhelming authority of Khomeini, and his protestations were used against him as proof of his "Westoxication." When Iraq invaded Iran in September 1980, Bani-Sadr, as Commander-in-Chief of the armed forces, seized the opportunity to portray himself as a military hero, running the country from the war front, building links with the army and posing for photographers in military fatigues. Despite initial success in reasserting his authority, he was soon outflanked by his clerical rivals, who charged that he failed to get the military on the offensive. Eventually, his enemies in the Revolutionary Council convinced Khomeini that if Bani-Sadr stayed in power, the very survival of the Islamic Republic would be threatened. In June 1981, Khomeini brutally fired him. A bitter Bani-Sadr felt betrayed. "I was like a child watching my father slowly turn into an alcoholic," he told this reporter. "The drug this time was power."[5]

There were moments in the summer of 1981 when the pressures on Iran seemed too great, when a series of disruptive events seemed to signal that a counterrevolution might be not only possible, but perhaps inevitable. The well-trained and well-armed Mujahedeen-al-Khalq guerrilla organization declared a policy of armed resistance against the regime. In June 1981 it bombed the headquarters of the Islamic Republican Party (IRP), killing Ayatollah Mohammed Beheshti, the regime's ablest politician and strategist, and 70 other IRP members. When Bani-Sadr showed up with Mujahedeen leader Massoud Rajavi in Paris several weeks later to establish a National Resistance Council and a government-in-exile, their predictions of the imminent overthrow of the regime were welcomed by those eager to see the revolution and its excesses come to an end.

The campaign of assassinations, shoot-outs, bombings and general confusion, with other guerrilla groups joining the Mujahedeen, continued into the fall. Its victims included Iran's second President, Ali Rajai, Prime Minister Javad Bahonar, the prosecutor-general, the chief of police, a score of IRP Majlis deputies, six Cabinet undersecretaries and four Friday prayer leaders. Coincidentally, half the command staff of the armed forces was wiped out in September in an air crash.

[5] Private interview with Bani-Sadr, August 26, 1981, Auvers-sur-Oise, France.

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But the regime did not collapse. It responded by immediately naming replacements for the assassinated leaders, proceeding with scheduled presidential and parliamentary elections and waging a bloody reign of terror—the leadership itself made direct comparisons to the French Revolution's Terror—that left hundreds dead. Gradually, order was restored, and by the spring of 1982 the Mujahedeen had been effectively dispersed and its leadership destroyed, so that the regime was more clearly in control than ever.

III

How, then, did the regime withstand the crisis? The answer is that it has used every new crisis as a means to implement a successful two-pronged strategy: systematic extermination of enemies and ongoing state-building that relied more and more on direct clerical leadership.

The regime survives because it is constructing a powerful state organization based on the Shah's institutions as well as on parallel revolutionary creations. It can even be argued that the Iranian state is the revolution's most stabilizing factor, with the mullahs in second place. On the most basic level, life is as it was before. Many of the services provided under the Shah continue: garbage gets picked up; traffic tickets get written; telephone bills get paid; mail gets delivered; taxes get collected. As for structures which have survived, the most important are a single-party system, the Majlis, the mosques and the ministries.

Although its power was negligible, the Shah had his Rastakhiz Party, which was used to channel public debate in the Majlis, and also served as a spy network. With the creation of the Islamic Republic came the emergence of the IRP, a political umbrella organization of Islamic societies throughout the country. Under Beheshti's brilliant leadership, the party published a newspaper, controlled the radio and television, developed a grass-roots organization in every factory, school, government office and military base throughout the country, and—not least—placed theological students from Qom in influential posts as leaders of Friday prayers in small towns. In the summer of 1979, it mobilized support for IRP candidates for the assembly of experts who would vote for an Islamic Constitution—which was actually written in secret by Beheshti and two of his trusted lieutenants, Hojetoleslam Akbar Hashemi Rafsanjani and Ayatollah Hussein Ali Montazeri.

The following spring the IRP played a similarly crucial role in the election of the Islamic Majlis. Through a brutal campaign of discrediting its enemies, rigging the elections, and a vigorous get-out-

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the-vote drive among Iran's illiterate majority, it won a comfortable majority of the Majlis' 270 seats. Neither the Kurds, nor the Soviet-backed Tudeh party, nor the Mujahedeen, nor the leftist Fedayeen-al-Khalq guerrillas were represented. Women won only two seats. As speaker of the Majlis, Rafsanjani had the power to introduce and table pending bills, and the IRP soon took over constitutional control of the country. Using the Islamic Revolutionary Guards Corps, which started as free-lance urban militias, and *hezbollahi* (disenfranchised mobs from the masses of the urban and rural underclass), it successfully suppressed any opposition, and led widespread purges of its opponents in all institutions. As Beheshti once told a group of schoolchildren visiting party headquarters, "it is not enough to be honest and simple; one must be honest and crafty."[6]

While the IRP lost much of its influence with the death of Beheshti, who used it as an effective power base, the party structure continues to operate in tandem with Iran's sophisticated mosque network. In the days before the revolution, the mosques were the only officially approved meeting places, where fervent Muslims came to hear cassette-recordings of Khomeini's call for Islamic revolution. The thousands of mosques were transformed from a very old religious institution into a political organ. Using the mosques as administrative centers, more than 100,000 mullahs now pass regulations, run courts, collect taxes, write schoolbooks, oversee the army, dispense ideology, recruit war volunteers and funnel rationed goods to the deserving masses.

For periods under the Shah, the Majlis had real power, but from the late 1960s onward it became progressively little more than a convenient extension of the monarch's will. Khomeini kept the institution—and the glittering Majlis building as well—and turned it into a serious lawmaking body. In 1980, Khomeini left it to the still-to-be-created Majlis to decide the fate of the 52 hostages, and in the fall of that year it was the Majlis that finally provided an authoritative definition of Iran's terms for settling the hostage crisis. Under the Islamic Constitution the Majlis passes all laws—but at the same time legislation passed by the Majlis comes under the review of a Council of Guardians, 12 religiously conservative clerics who ensure that all legislation conforms to the tenets of Islam. Over and over, Khomeini himself has called for the abolition of laws that are "un-Islamic."

In practice, the Majlis has been dominated, through successive

[6] Quoted in John Kifner, "How a Sit-in Turned Into a Siege," *America in Captivity*, special issue, *The New York Times Magazine*, 1981, p. 73.

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rigged elections, by the clergy; it is hardly a democratic institution. Liberals such as Bazargan have little to say in the proceedings, which are controlled by various clerical factions under the leadership of its cunning speaker, Rafsanjani. Shi'ite Islam is particularly open to interpretation, and the Majlis has often reflected the heated debate between radical clerics who favor socialization and summary justice, and the conservative, more established religious community, which believes in private property, free trade and a measure of individual rights.

Thus, there has been a continuing and still unresolved struggle between the Majlis and the Council of Guardians, which has effectively stalled much important legislation and prevented a revolutionary, socialist transformation of many institutions. On the thorny issue of land reform, for example, surprisingly little has been done since the Shah's time. Eighty percent of the land is still owned by large landholders, with almost a third in the hands of the clergy. When a land distribution bill passed in 1980 resulted in seizure of land by local committees, fear of confiscation and a drop in agricultural production, it was quickly abandoned. Khomeini and other religious leaders have severely criticized unjust confiscation of private property, and it is not surprising that a comprehensive land distribution bill later passed by the Majlis has been blocked by the Council of Guardians as "un-Islamic." In short, on crucial domestic issues the Majlis has not had its way; yet it serves as an important arena for the ongoing debate between radicals and conservatives in the clergy, and Rafsanjani himself remains a powerful figure.

Similarly, the reorganization of the legal and court systems by the clerics is still incomplete, moving forward only slowly. In April 1982, the Supreme Court revoked all laws from the old regime which are contrary to Islam, and ordered all judges to refer instead to religious texts and sermons. After more than a year, an Islamic Retribution Bill (for a new penal code) has been thrown back to the Majlis by the Council of Guardians because of certain "un-Islamic" provisions. Thanks to crash courses in Qom, clerical judges have increased five-fold since the revolution, and the Shah's civil courts have come under near-complete control of radical clergymen who favor swift decision over justice. Until the ideological debate between radicals and conservatives is resolved, the consolidation of the legal and justice system will remain incomplete, and the summary justice of individual revolutionary courts and firing squads will continue.

Khomeini has not dismantled the Shah's ministries or provincial administration. He has kept their form, changed them to a degree,

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and, above all, controlled them, filling them with men who owe their allegiance to the new order. Foreign Ministry personnel, for example, have been replaced several times, reflecting ideological changes and absorbing many revolutionary guards and some of the militant students who held the American hostages.

IV

Functioning side by side with the old institutions are a number of effective revolutionary creations. In the months after the revolution, thousands of neighborhood committees sprang up as unofficial police and neighborhood watchdogs for the IRP; they operated under their own rules and prevented Bazargan's government from consolidating its authority. Since then, they have undergone purges and been consolidated and centralized under the authority of the Interior Ministry. With their help, the Reconstruction Crusade builds housing and roads, develops agricultural land and rebuilds towns destroyed in the war; the Martyrs' Foundation compensates families of the war dead.

Perhaps the most important post-revolutionary creation is the revolutionary guards. They are responsible for maintaining order, providing internal security and fighting alongside the army. They have their own budget, recruiting system, intelligence service and public information office, and following months of debate in parliament, a separate ministry.

A centralized security apparatus like the Shah's SAVAK has not been created. Despite rumors floated by the activist exile community about the creation of a new intelligence organization called SAVAMA, there is no hard evidence that it exists. SAVAK was so hated and feared by the Iranian people that there is significant resistance to legislation in the Majlis to create an Intelligence Ministry. But the regime has not needed a SAVAK: it has been remarkably successful in purging its enemies through intelligence gathered from the IRP, the committees, the guards and, in Khomeini's words, "the police force of 36 million." This systematic repression, perhaps even more than parallel state-building, is the most important factor allowing the revolution to flourish.

From the first days of the revolution, when armed youths delivered suspected SAVAK agents to Khomeini's doorstep, when four of the Shah's generals were executed without Bazargan's knowledge, the pattern of repression was set. Children were advised to spy on their parents and teachers, neighbors on neighbors. More than 4,500 executions have been documented by Amnesty International, although exile groups claim there may have been five times as

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many. Raids of guerrilla safehouses are still reported almost daily in the newspapers, and guerrilla activity has significantly dropped off.

After the upheaval of the summer of 1981, the atmosphere of terror, especially in the cities, became so oppressive that people stayed at home in the evenings and trusted no one—sometimes not even close family members and friends. Families of those executed as enemies of the regime were prevented from mourning publicly by roving gangs or neighborhood committees. House searches and arbitrary arrests increased. Almost any non-conformity—from the refusal of workers to pray in an Iranian factory to the refusal of women to wear a headscarf—was treated as "un-Islamic," and, therefore, suspect.

Eventually, not only the middle class, but many in the urban underclass as well, became fed up.

In November 1982, Bazargan, still a deputy in the Majlis, wrote a six-page open letter to Majlis speaker Rafsanjani. He accused the government of creating an "atmosphere of terror, fear, revenge and national disintegration," and asked, "what has the ruling elite done in nearly four years besides bring death and destruction, packing the prisons and cemeteries in every city, creating long lines, shortages, high prices, unemployment, poverty, homeless people, repetitious slogans and a dark future?"[7] The letter provoked intense criticism of Bazargan, even calls for his arrest by his colleagues in the Majlis. Khomeini, without referring to Bazargan by name, called the open letter "the words of the corrupt."[8]

But Bazargan was not arrested, and in a startling twist, Khomeini has recently embarked on a new internal policy to make the masses feel more comfortable with the regime. Perhaps he was prompted in part by the Bazargan letter; perhaps he feels that now that the counterrevolutionary guerrilla threat has diminished, he can turn his attention to enhancing popular support for the regime. In a historic message last December, Khomeini strongly attacked the courts and the committees for their excesses and outlined an eight-point plan for change. Except for rooting out terrorism, which will remain the top priority for the security forces, he said that arbitrary arrests, invasion of a home or place of business, monitoring telephone calls and confiscation of property "are among the major sins" and will be punished according to the laws of Islam. "From now on," he added, "we are in a period of stability and construction;

[7] Quoted in R. W. Apple, "Khomeini's Grip Appears at Its Tightest," *The New York Times*, November 21, 1982, p. 1.

[8] Speech of Ayatollah Ruhollah Khomeini, monitored on Teheran Radio, January 4, 1983.

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the nation must feel at peace, secure and continue to work without worry."[9]

No longer will ordinary people be asked to accept extraordinary measures, Khomeini said in a subsequent message, because "we should no longer say that we are in a revolutionary situation."[10] Since then, a Central Headquarters Charged With Enforcing the Decree of the Imam has been created; the heads of the revolutionary courts and the national police have been replaced (although reasons were not given) and a significant number of judges, guards and other officials have been either called in, arrested or dismissed for abusing their power. Some watchdog committees in the ministries have been dissolved.

Following an amnesty declared by Khomeini at the end of February, more than 8,000 prisoners have been freed, although none of them are believed to be political prisoners. Even clear-cut enemies from the old regime, such as former SAVAK agents, are no longer to be punished, but encouraged to serve the Islamic Republic. The revolutionary leadership has finally acknowledged that it suffers from a critical shortage of much-needed technocratic personnel, especially doctors, engineers and geologists. The loosening up of domestic policy coincides with a call for Iranians abroad who are not enemies of the regime to return home to work for the Islamic Republic. Only terrorists, smugglers and those who "perpetuate corruption" need not apply. According to a recent government decree, restrictions on travel are to be lifted, although anyone leaving the country will have to leave his hard currency behind.

The new policy may be something like the Shah's—ruthless action against political enemies, a blind eye toward private behavior. Initially, it created a better atmosphere in Teheran almost overnight. There was less reluctance to talk on the phone and more congregating in the evenings, for example. But the degree of change is still unclear. Women who took off their headscarves have already been chastened; youths selling musical cassette-recordings on the streets have been chased away. Whether large-scale liberalization will be permitted depends on Khomeini's commitment to curb the power of the local revolutionary authorities, and the ability of moderate leaders who favor more personal freedom to outmaneuver the radicals.

V

In the past year, Iran has experienced a sharp change in its economic and commercial policies that has begun to signal the start

[9] Speech by Ayatollah Ruhollah Khomeini, monitored on Teheran Radio, December 15, 1982.
[10] Quoted in Foreign Broadcast Information Service (FBIS), *Daily Report: South Asia*, December 23, 1982.

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of an economic recovery. Its most dramatic feature is an aggressive marketing of its oil. The key is to keep exports as high as possible: hence Iran's refusal to obey quotas set by the Organization of Petroleum Exporting Countries (OPEC).

The revolutionary leaders came to power with a firm belief that the Shah had been keeping Iran's oil production at unnecessarily high levels, that oil income must be channeled into productive economic investment rather than lavish purchases of armaments and luxury imports, and that Iran's most valuable resource was being plundered by the Western powers. The revolution, they said, would cut back on oil exportation and expand agriculture and industry in an attempt to make Iran less dependent on oil revenues.

But the post-revolutionary era brought with it terrible economic devastation, following the paralyzing strike preceding the revolution, the flight of private capital, the withdrawal of international partners in multinational projects, and the loss of oil revenues. The economy reached its lowest point in early 1982. Industrial production was only 40 percent of capacity; unemployment reached 40 percent; all sectors were obstructed by chronic shortages of almost everything, especially spare parts, raw materials and textiles. (At one stage there were 7,000 Paykana cars waiting outside the factory because the imported silica needed to make the window glass had not arrived.)

Economic recovery now appears to be a higher priority than the principle of self-sufficiency. The revolutionary economy has come to resemble more and more that of the Shah: supporting an inefficient system with oil revenues. The difference is that the Islamic Republic is funneling those same revenues not into sophisticated armaments and consumer luxuries for the few, but into large-scale subsidies of the revolutionary apparatus which will insure a substantial level of acceptance from the masses.[11]

Iran remains greatly dependent on oil earnings, which account for more than 80 percent of foreign exchange revenues. Despite a continuing glut in the oil market, Teheran has ignored OPEC quotas and dramatically increased its exports. Iran is now exporting about 2.3 million barrels a day, compared with a low of 300,000 barrels in October 1981 and 700,000 barrels just a year ago. Liquid foreign reserves have risen from less than $1 billion a year ago to about $4 billion. Inflation has been halved: from 30 to 15 percent according to official figures, from 70 to 35 percent according to unofficial estimates.

[11] Theda Skocpol, "Rentier State and Shi'a Islam in the Iranian Revolution," *Theory and Society*, 11, 1982, pp. 265–283.

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Full nationalization of trade was expected in revolutionary Iran. While 80 percent of trade has been nationalized in the form of state-owned industries, formal nationalization has met stiff resistance from conservative clerics, who derive their support in great part from the bazaar merchants. Just as the Shah failed to extend state involvement over the bazaars' control of wholesale and retail trade, the radical clerics have failed to curb Iran's merchant tradition. The bazaars remain active centers of economic activity, somewhat independent of state power. A long-standing bill to nationalize foreign trade was recently thrown back to the Majlis by the Council of Guardians. The regime has publicly admitted that in many industries economic growth in Iran can only come from the private sector.

By drastically liberalizing trade policy, the regime has opened the door to at least short-term economic recovery. Moreover, the absence of any coherent long-term planning may not necessarily translate into disaster. According to a U.S. Department of Energy study, if Iran continues oil production at its current level of three million barrels a day, its reserves will begin to fall off in 47 years; if production drops to two million barrels, in 65 years; if production rises to four million barrels, in 33 years.[12] As long as the oil revenues are secure and control measures adequate, the masses will be pacified. Lower OPEC prices will hurt, but will not bring economic disaster.

VI

Ironically, the war with Iraq has helped the process of Iran's state-building in much the same way France's foreign adventures did after her revolution. Both revolutions began to be taken seriously when their neighbors decided to march in and overthrow their respective regimes, but were decisively turned back by fervent fighting forces. Neither the Montagnard nor the Khomeini government rebuilt its army from nothing; each replaced necessary components with armed volunteers that were organized into self-governing units.[13] Wisely, the Shah's 450,000-man army was never destroyed. Profound purges of its leadership, defections and desertions thinned it out, but a fighting force perhaps as large as 200,000 trained troops remained. A paramilitary force was then forged

[12] U.S. Department of Energy, *Middle East Crude Oil Potential from Known Deposits*, Washington, D.C., 1981.

[13] I am grateful to Professor Skocpol for her willingness to share with me her observations on structural similarities between the Iranian and other revolutions.

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from the ranks of the local committees, and the revolutionary guards—now numbering about 150,000—were born.

What the war with Iraq has done is to furnish on-the-spot training for Iran's military forces. The regular army functions side by side with the guard corps, in much the same way that France's post-revolutionary army did. In the early stages of the war, the guards played more of an infantry role, the army staying behind, but in the past year both forces have fought together all along the border. They are rounded out with a ragtag force of up to 500,000 young teenage volunteers called the Baseej Martyr Brigade. These are recruited by the mullahs in the countryside, and offered no pay or uniforms, only a gun and a ticket to heaven if they are martyred on the battlefield. This martyrdom is taken seriously by the fervent believers of Shi'ism.

Further integration of the revolutionary militias into the regular forces has been stepped up and army "volunteers" continue to join the guards. An all-volunteer "martyr brigade" of men who have already completed their military service is being created for the regular army. The revolutionary guards have begun to form naval units which will work alongside the regular navy, in order to "safeguard the revolution, combat counterrevolutionaries and smugglers."[14]

The result has been a formidable military force that has stunned Iraq—and military experts around the world—with its successes in the 30-month-long war. Saddam Hussein launched the war expecting to topple Khomeini's regime easily and make Iraq the dominant power in the Gulf. But Iran resisted, and for the first year the war sputtered along inconclusively, as the Iraqis made limited gains and the Iranians were distracted by power struggles at home. Iran went on the offensive in late 1981, scoring a series of victories that turned the tide of the war in its favor, culminating in the battle of Khorramshahr in the spring of 1982 when the Iranians drove the Iraqis back across the disputed Shatt-al-Arab waterway. In June 1982, Iraqi President Saddam Hussein declared a unilateral cease-fire, withdrew his forces from Iranian territory and called for peace. His gesture was rejected—as were all later peace moves.

The war required a national mobilization that involved all Iranians in the war struggle regardless of personal allegiance to the revolution. The willingness of the Iranian people to endure hardships has given the country a distinct advantage over its enemy, not unlike post-revolutionary France. With a few slight changes, the Committee of Public Safety's 1793 levée en masse might well have

[14] Quoted in FBIS, October 30, 1982.

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been written by the mullahs: "All Frenchmen are in permanent requisition for army service. The young men will go to fight, the married men will forge arms and carry supplies; the women will make tents and uniforms and will serve in the hospitals; the children will shred the old clothes; the old men will be taken to the public squares to excite the courage of the combatants, the hatred of royalty and the unity of the republic."[15]

Popular support for the war may have waned somewhat, but there have been no instances of anti-war demonstrations or calls for its end. For the average person living in Teheran, for example, there is little indication that the country is at war. Street lights are back on, gasoline rationing has ended and the streets are clogged with traffic again. The newspapers are full of war news, but no one pays much attention. Obviously, the war touches the Iranian who loses his son or brother to the enemy. But as long as Iraqis continue to shell Iranian towns and sink Iranian ships, popular support for the war is unlikely to die. The combination of Islamic fervor and fierce nationalism is perhaps Iran's most potent weapon.

Iran has little to gain by moving to end the war, and thus far has refused to take any mediation effort seriously. After each military victory, there was a split in the revolutionary leadership over what came next. Some argued that the removal of Iraqis from Iranian territory would be sufficient to bring an end to the war. In February 1982, Iran's clerical President, Hojetoleslam Ali Khamenei, told this reporter that the war could end in "a few months."[16] Other religious leaders argued that Iran should march into Iraqi territory and force the military overthrow of Saddam Hussein. The debate heated after Khorramshahr, and ended only when Khomeini himself intervened in an important speech last June.

He firmly stated that the war was not over and no one could do anything to end it. If Iran defeated Iraq, Iraq would be annexed to Iran, that is, the Iraqi people "will free themselves from the talons of the tyrannical clique and will link themselves with the Iranian nation.[17] When that happens, he added, all the small nations of the region will join them.

A month later, Iran took the war into Iraqi territory for the first time in a huge invasion north of Basra, and was brutally repulsed, suffering a loss of thousands of lives. Iran had expected that once its forces moved into Iraq, the Iraqi people would embrace their

[15] Quoted in John Ellis, *Armies in Revolution*, New York: Oxford University Press, 1974, p. 97.

[16] Private interview with Hojetoleslam Ali Khamenei, quoted in *Newsweek*, February 22, 1982, p. 15.

[17] Quoted in FBIS, June 22, 1982.

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liberating brothers spontaneously and proclaim an Islamic Republic. The failure of the Iranian offensive came as a rude shock.

But Iran has the resources and manpower to continue to wage a restricted border war indefinitely. Except for some long-disputed pockets of land claimed by both sides, Iran has recaptured most of its territory and is over the Iraqi border in some places. However, Iraq's growing air, armor and missile supply may cause the Iranian leadership to rethink the assumption that time is on Iran's side. This could explain Iran's decision to launch a surprise large-scale offensive in February 1983, described by Rafsanjani as the "last decisive operation" of the war. But the offensive went nowhere, and Rafsanjani has since told the Iranian people to prepare for a long war.

Even if there were a cease-fire, the hostilities could drag on for years, if not on the border then in the rhetoric of the revolutionaries. In a recent article in the revolutionary guards' monthly magazine, *Pasdar-e Islam*, Rafsanjani said that even if a cease-fire were established, a final settlement could take as long as ten years; and that Iran would always have to maintain a military state of alert against Iraq.

Iran's conditions for ending the war at times appear a bit confusing, but essentially have not changed: unconditional withdrawal of Iraqi forces from Iranian territory; the overthrow of Iraq's President Hussein; payment of war reparations; and repatriation of 100,000 Iraqi refugees. Sometimes the refugee return is omitted as a condition; sometimes there are indications that reparations are negotiable. During Friday prayers in Teheran last summer, for example, Rafsanjani, addressing the Gulf states, said, "We don't need you, your money, your oil or your livelihood."[18] A month later, however, he said that reparations were not only necessary, but that, "obviously, it would be preferred if they are paid in full in cash."[19] At times it appears that if an Islamic Republic were installed in Iraq, Iran might forego reparations. As Ayatollah Montazeri said recently, if the Iraqi people were "left alone to choose their Islamic Republic . . . we would not require war reparations and would help them out."[20]

Further, during a speech on the revolution's fourth anniversary, President Khamenei said that Iraqi withdrawal from the remaining part of Iranian territory "will no longer be regarded as a major condition for an end to war."[21] Finally, Iran's Foreign Minister, Ali

[18] Quoted in FBIS, July 30, 1982.
[19] Quoted in FBIS, August 2, 1982.
[20] Quoted in *Iran Times*, January 7, 1983.
[21] Quoted in FBIS, February 14, 1983.

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Akbar Velayati, has voiced an even more pragmatic approach, suggesting last July at a nonaligned conference in Nicosia, Cyprus, that Hussein's overthrow was "not necessarily one of the Iranian conditions, but simply a recommendation to the Iraqi people."[22] This sort of talk is probably most significant, however, as a misstep by the Foreign Minister, who may find himself thrown onto Khomeini's "dustbin of history." Although he is the kind of leader the United States likes to hear from, this year's Bazargan or Bani-Sadr, he has no power base and is expendable.

As long as Khomeini is alive, however, there will be no compromise on the removal from power of Hussein. Khomeini, who has always personalized disputes, blames Hussein for bowing to the Shah's request to put him under virtual house arrest in the last years of his exile in Iraq and for expelling him from Iraq in the fall of 1978. He also holds Hussein responsible for invading Iran without provocation, razing Iranian cities and causing 70,000 Iranian deaths and 250,000 injuries. As Rafsanjani once told this reporter, "the Imam is not the kind of man who ever changes his mind. We will make recommendations; he decides."[23]

VII

Iran's border war with Iraq has given Khomeini the perfect opportunity to implement his commitment to exporting revolution. Last November, a special ceremony was held at the Teheran Hotel to mark the creation of the Supreme Council of the Islamic Revolution of Iraq, under the leadership of a Shi'ite hojetoleslam, Mohammed Bakr Hakim. As Hakim explained it, the Council is not a government-in-exile, but a "gathering of committed Iraqi religious personalities who will lead the struggle to overthrow the regime."[24] Its policy closely parallels that enunciated by Iran: a foreign policy tilted toward neither superpower, development of agricultural production, no overproduction of oil. Hakim conceded that Hussein's regime will not be overthrown merely by political means, that "realization of these determined aims is not possible except through armed struggle."[25]

The revolutionary guards have been authorized to help the Council set up bases and train and organize the forces which they will be trying to put together. But even if this Council has its own training, manpower and equipment at the border, it has no hope

[22] Quoted in FBIS, July 20, 1982.
[23] Private interview with Hojetoleslam Akbar Hashemi Rafsanjani, Teheran, April 2, 1980.
[24] Quoted in FBIS, November 24, 1982.
[25] *Ibid.*

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for success unless it finds a sympathetic ear on Iraqi soil. When Iranian troops marched into Iraq last summer, they were made quickly aware of the fact that the Iraqis—even the Shi'ite majority—did not want to become a satellite state of Iran. Iraqi Shi'ites may feel that their own country—with the holy shrines of Kerbala and Najaf—is the true repository of Shi'ite Islam and that it is not in their interest to install an Iranian-style Islamic Republic.

Except for Iraq, where the issues for the Iranian regime seem clear-cut, there is considerable debate on how the revolution should be exported. Khomeini first spoke of the necessity for export in the 1970s, when he called on Islamic forces to mobilize against their rulers during the annual *hajj* pilgrimage to Mecca. From the first days of the revolution, both the Mujahedeen and Bani-Sadr spoke of the likelihood of revolutionary exportation, and the Islamic Constitution defines the duty of the Islamic Republic to realize the political, economic and cultural unity of the world of Islam.[26]

The government's official position has been that the Iranian Revolution should serve as a source of inspiration to its neighbors, but that Iran has no intention of interfering in another country's internal affairs. But, almost from the first, Iran's actions have belied this position. Radio broadcasts from Iran encouraged revolution in other Islamic countries, and a revolutionary guard liberation movement charged with introducing Islamic "culture" to the rest of the world was organized as early as 1979.

More seriously, there have been indications that Iran is prepared to finance and provide other support for revolutionary groups in the region. In December 1981, the Bahraini government unearthed and defused a plot allegedly involving 73 individuals trained in Iran. And in the summer of 1982, a major speech by Khomeini suggested that Iran's efforts to export revolution would take on a new dimension. Shortly thereafter, a Shi'ite attack on an army barracks in the Lebanese town of Baalbek was reportedly inspired by Iranian "liberation forces," and while Iranian leaders denied responsibility for the uprising, Rafsanjani has promised to give the Lebanese "weapons, money, guidance and propaganda if they wanted it."[27]

Saudi Arabia, all along at odds with the Khomeini regime, then became a particular Iranian target. The 100,000 Iranian pilgrims who journeyed to Mecca for the annual *hajj* pilgrimage last summer included a hard core of activists under the leadership of Hojetol-eslam Mohammed Mousavi Khoeiniha (who had been spiritual

[26] *Constitutional Law of Islamic Republic of Iran*, Teheran: Ministry of Islamic Guidance, 1979, p. 9.
[27] Quoted in FBIS, December 14, 1982.

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adviser to the students holding the American hostages). This group staged several political rallies in support of Khomeini and Iran's revolutionary message, and the Iranian *hajis* were expelled from Mecca after thousands of Saudi police moved in to quell the disturbances.

While this effort thus failed, there followed a campaign to discredit the Saudis, led by Montazeri. He outraged the Saudis with his call for a council of representatives from Islamic nations to administer the holy sanctuaries of Mecca and Medina, calling the Saudis "a bunch of pleasure-seekers and mercenaries," and asking, "how long must Satan rule the House of God?"[28]

Then, in December, Iran hosted its first annual international conference of Islamic leaders from 40 countries, in which President Khamenei called on them to give sermons that will "prepare the ground for the creation of Islamic Republics in all countries" and turn their mosques into "prayer, political, cultural and military bases."[29] Clearly the Khomeini regime intends to continue, and perhaps increase, its efforts.

The destabilizing effects of Iran's Islamic Revolution are felt by nearly every regime in the region, and it is certain that it will continue to serve as a disruptive force. Granted, some of the appeal of Iran's revolution has been lost: Iranian nationalism and Shi'ite Islam are repugnant to most Sunni Muslims, who comprise the majority in most Muslim states, and Iran's revolutionary repression is unattractive as an alternative to the status quo. But the Iranian Revolution can be used as a rough blueprint of how to get rid of any government with excessive ties to the West.

VIII

Neither the Soviet Union nor the United States has had any real influence on Iranian domestic policy or on how it prosecutes the war with Iraq. The Iranian foreign policy of "neither East nor West," has been surprisingly successful in keeping dependence on either superpower to a minimum. Rather, Iran has vastly expanded trade with Third World countries such as Pakistan, India and Brazil and signed an ambitious $1-billion trade agreement with Turkey in March 1982. As Pakistan's President Mohammed Zia ul-Haq told this reporter, "I can't think of another country with which we have better relations."[30]

Happily for the West, the Soviet Union has enjoyed less success

[28] Quoted in FBIS, October 10, 1982.
[29] Quoted in FBIS, January 4, 1983.
[30] Private interview with Zia ul-Haq, December 10, 1982.

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in infiltrating the revolutionary regime than it is often given credit for. Like the Shah, Iran's current leaders have concluded that they can use their northern neighbor, and have reactivated certain advantageous economic agreements concluded before the revolution; they have actually been more openly critical of the Soviet Union than the Shah was during the final years of his regime. They have also shown greater wariness in economic relations with the Soviet Union than the Shah did. As early as 1979 they cancelled the Shah's 1975 IGAT-II agreement to export massive natural gas reserves to the Soviet Union and are now looking toward Western Europe as a market via a pipeline project through Turkey.

Since the very beginning of the revolution, clerical leaders including Khomeini and Montazeri have denounced the Soviet system as atheistic and therefore un-Islamic and its treatment of its Muslim population as repressive. In the past year, the regime has slowly but perceptibly increased its attacks on the Soviet Union, especially for supplying the Iraqi army with military hardware and for its continued interference in Afghanistan. When Brezhnev died, Teheran snubbed Moscow by sending only a low-level delegation to his funeral. Khomeini has compared the resistance of Afghan guerrillas to Iran's struggle against the Shah and the Foreign Ministry has stated that the Soviet invasion of Afghanistan is the main obstacle to better Iranian-Soviet relations. On the third anniversary of the Soviet invasion of Afghanistan, the Foreign Ministry condemned Soviet aggressors there and their "savage behavior. . . towards the innocent people of the villages, large-scale bombardment. . . murdering. . . tortures and executions."[31] The Soviet Embassy in Teheran complained that it was not given adequate protection during an anti-Soviet demonstration to mark the anniversary, when several hundred Afghanis tore down and burned the Soviet flag and painted anti-Soviet slogans on Embassy walls. The regime's refusal to take part in the Geneva talks sponsored by the Islamic Conference, or to mediate in any way in the conflict, reflects a refusal to recognize the regime of Afghan president Babrak Karmal as legitimate.

Moscow, which at first saw in the Iranian Revolution a chance to play an important role in the Persian Gulf region, has suffered a serious loss of influence in Iran, especially in the past year. Teheran has become increasingly sensitive to apparent Soviet infiltration and has purged hundreds of leftists, including Tudeh party members, from many institutions. Last July, the Tudeh party's main newspa-

[31] Quoted in FBIS, December 27, 1982.

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per, with a circulation of 80,000, was closed down, leaving only an internal bulletin. A new nationwide anti-communist campaign began after the defection to Britain last fall of Vladimir Andreyevich Kuzichkin, the Soviet vice-consul in Teheran. According to British intelligence, Kuzichkin provided invaluable information about the work of the Tudeh party in Iran and confirmed that Moscow was extremely unhappy about setbacks in its relationship with Khomeini's regime. His defection prompted new purges in the army, gendarmerie, police, revolutionary guards and ministries. The most devastating setback came in February 1983, when the Tudeh party's top leadership, including its secretary-general, Nureddin Kianoori, was arrested on charges of spying for the Soviet Union.

Until early 1983, the Soviets maintained an even-handed and patient policy. They recognized earlier than anyone else the importance of the Islamic appeal, and correctly calculated that there was no real alternative to the Islamic formula and no coherent opposition with a popular base. Unlike U.S. policymakers, they keenly focused on Iran in an ongoing effort to determine how they could benefit from the revolutionary situation. But recently, the Soviets have openly shown their frustration with the Iranian regime. They have complained in the media about the course of Iran's Revolution, claiming that it is no longer progressive and that fanatical elements in the clergy have helped to discredit it.

Still, the Soviet Union and its East European allies have the distinct advantage of enjoying full diplomatic relations with Iran. And while certain religious leaders in Iran have declared the Tudeh party illegal, there are some indications that it may be allowed to function under new leadership. Despite the setbacks, then, the Soviet Union can continue to measure its success by the degree to which the United States has been damaged in Iran.

Certainly the United States remains Iran's most visible enemy. Almost all of the nation's ills are somehow linked to the "Great Satan," America's nickname since the hostage crisis. On the third anniversary of the hostage seizure last November, Khomeini blamed the United States for the war with Iraq, Israel's "savage acts," subversive activities of the Gulf governments and many of the wars of the world. The Mujahedeen guerrillas are referred to as "American hypocrite mini-groups;" hoarders and profiteers are labelled "domestic agents of the Great Satan;" Saddam Hussein is often referred to as a "pro-American mercenary."[32]

[32] In the mysterious world of Iranian plot-weaving, some of Khomeini's critics have even come to blame the revolution itself on the United States, and former President Bani-Sadr told this reporter that the "staging of the American Embassy takeover was completely directed by the United States." Private interview with Bani-Sadr, July 5, 1982.

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All this anti-American rhetoric, coupled with Iran's memory of CIA assistance in the overthrow of the Mossadegh government in 1953 and U.S. complicity in the creation of the Shah's repressive security forces, means that even formal relations are unlikely soon to be restored. Certainly there is little optimism that under the present circumstances there will be any departure from the active hostility of the Khomeini regime.

IX

What are the prospects for the regime's survival? Obviously, the shape of the Islamic Republic depends on what happens to the 83-year-old Khomeini. Since the first day of the revolution, those who oppose him have stated the obvious: he can't live forever. True, but rumors that he is dying, or even seriously ill, are wildly exaggerated. Although he suffers from a bad heart, asthma and prostate trouble, although his handwriting is shakier than in his Paris days, he keeps a daily schedule more rigorous than the Shah's. He still sleeps only four hours a night, receives endless delegations, writes speeches and appears healthy on television. He comes from a long line of long-livers—his ayatollah brother is 15 years older than he—so if family history is to be trusted, he could be around for years. "We used to preface our remarks with 'when Khomeini dies,' " Bani-Sadr told this reporter recently. "Now we say 'if'."[33]

As long as Khomeini is alive, the Islamic Republic in its present configuration is secure. In December, Iranians went to the polls to elect a Council of Experts, 83 clerics charged with choosing Khomeini's successor. It would favor the elevation of Montazeri, Khomeini's former student and heir apparent, since it is stacked with his supporters. Only if the Council cannot choose a successor will a ruling group of three to five clerics be chosen.

If certain radical leaders have their way, Khomeini's successor will be chosen the same way he was—by unstructured popular acclaim—and the Council will never be called. This would still favor Montazeri but give him the appearance of a popular mandate to rule and help curb overt clerical factionalism. As Rafsanjani explained it, the Council of Experts has the responsibility to appoint a leader "in case the leader is not universally acclaimed by the people. . . . As long as the leader is alive and in charge of the leadership, the Council of Experts has no role at all," but will be "a last resort."[34]

Montazeri's public persona has been heightened in recent

[33] Private interview with Bani-Sadr, July 5, 1982.
[34] Quoted in FBIS, November 22, 1982.

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months. While Khomeini has never said publicly that he favors Montazeri as his successor, there is no doubt that he is one of Khomeini's favorites. Some months ago, when Khomeini's son Ahmad called Montazeri the natural successor to Khomeini, Montazeri denied it; now when it is mentioned, he says nothing. Montazeri is sometimes referred to as "His Eminence, Grand Ayatollah," and given other honorific titles, although he is not considered one of the handful of grand or highest-ranking ayatollahs in Shi'ite Islam. Now he often speaks on his own authority, without referring to Khomeini.

Certainly, the cult of Khomeini will continue to give the revolution its moral glue, even after his death. But Montazeri lacks the intelligence, popular appeal and political acumen of Khomeini. He is a relatively junior clergyman who, unlike Khomeini, cannot trace his ancestry back to Mohammed. His pronouncements on moving the border war into Iraq and exporting Islam throughout the region appear even more radical and less compromising than Khomeini's.

Montazeri may be unable to rule in the same way Khomeini did, as *Velayat-e Faghih*, or supreme guardian. The principle, as stated in the constitution, makes the revolution's leader an all-powerful religious guide who is the ultimate authority in the absence of the hidden Imam who disappeared into a cave as a child in the ninth century and who will return to establish an earthly paradise. None of Iran's other grand ayatollahs support the concept, and Montazeri might find that while he has the title, he lacks the power. If that happens, factional disputes that Khomeini has deftly deflected by using his authority to play off opposing sides could unfold into a full-scale ideological debate and extensive jockeying for power.

If Montazeri does not emerge as a clear-cut successor, or once chosen, fails to rule decisively, a council of clerics could be chosen. There have been indications that other religious leaders would prefer rule by more than one man. The influential Friday prayer leader of Qom, Ayatollah Ali Meshkini, has said publicly that a single individual would have a difficult time gaining full support of all factions of the clergy. And a year ago, Iran's President Khamenei told this reporter that Iran will be governed by a three-to-five man council and that work to choose it "should have already begun."[35] That scenario would benefit Rafsanjani, the most clever and politically astute of the clerical leadership. Rafsanjani has learned to carefully manipulate the workings of the Majlis and has developed shrewd political instincts similar to those of his mentor, Ayatollah

[35] Private interview with Hojetoleslam Khamenei, quoted in *Newsweek*, February 22, 1982.

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Beheshti. Since he is only a hojetoleslam, one rank lower than an ayatollah, he has no chance to become the *Velayat-e Faghih*, but could easily serve as Montazeri's silent partner or share power in a council.

The possibility of a military coup led by an army or revolutionary guard commander and a few hundred loyal men cannot be entirely ruled out. But the notion of such a scenario has been around for so long that the regime itself is keenly aware of the possibility. After the revolution, the regime ruthlessly purged the army and installed a protective layer of religious commissars between the officers and the troops. Similarly, the revolutionary guards have undergone serious purges. In July of 1980, Iranian authorities put down an alleged plot by elements of the air force, based near Teheran, and by army, navy and police officers in Khuzistan, with the apparent aim of installing a secular, liberal regime under the leadership of former Prime Minister Shahpur Bakhtiar. Last summer, former Foreign Minister Ghotbzadeh and several of his co-conspirators, including military officers, were executed for plotting to overthrow the regime and assassinate Khomeini. In his testimony, Ghotbzadeh claimed his aim was to establish a "truly Islamic republic."

If Khomeini were to die tomorrow, it does not appear that one person or group in either the army or the guards could command a force large and strong enough to topple the regime. As long as solidarity among the officer corps can be prevented from developing, a military coup is out of the question. So far, this regime has allowed no military heroes to emerge from the battlefront. A few military commanders are permitted to make statements not only about military tactics but about political aims as well, but there is no evidence that any of them has popular support. While portraits of war "martyrs" are publicly displayed, no Iranian Napoleon has as yet formed a strong enough following to rise to power.

Even if there were a coup, a secular military regime would have little appeal among the Iranian masses, who, despite some waning of enthusiasm, by and large support Khomeini's regime. An Islamic-based military regime could not succeed unless the clerics were seriously discredited; that just has not happened, and could only occur if the military technocrats had the complicity of Iran's conservative grand ayatollahs like Kazem Shariat-Madari and Mohammed Reza Golpaygani. While they have repeatedly criticized the regime's excesses, neither ayatollah would risk serious civil disruption to overthrow the radicals.

As for the opposition groups, none has the organization and popular base necessary to come to power. The Fedayeen is hope-

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lessly splintered, the Tudeh all but illegal. The Mujahedeen was stripped of much of its important leadership in raids of its hideouts. Its leader-in-exile, Massoud Rajavi, lost much of his credibility when he fled to Paris with Bani-Sadr, and further tarnished his image by meeting Iraqi Deputy Prime Minister Tariq Aziz in Paris in January. Opposition exile groups have been unable to muster much popular support. Tribal disruption in the post-Khomeini era is likely, although it would probably not lead to civil war unless both superpowers intervene through surrogates. Tribal aims are limited; of the main Iranian tribes, only the Kurds have specific demands, and they only want autonomy—over their administrative system, language, culture and internal security—not independence. Any attempt by either superpower to foment an uprising among the Iranian Kurds could backfire if the other superpower threw its support behind the Iraqi Kurds. As for Iran's ten million Azerbaijanis, they have never demanded autonomy and have a reasonably good stake in Khomeini's regime. Iran's President and Prime Minister are from Azerbaijan, and their fellow tribesmen play a greater political role now than they did under the Shah.

Soviet policy toward tribal minorities has been inconsistent. The Soviets have taken the position that minorities have a right to autonomy but that Khomeini is sensitive to this issue and should be given a chance to work out an accommodation; if the minorities hold uncompromisingly to their demands, say the Soviets, they can only undercut the revolution and thus play into the hands of the counterrevolutionaries.[36]

If Khomeini were to die tomorrow, there is little likelihood that the Soviets would intervene, since they are still shaken by the fallout from the invasion of Afghanistan, which turned virtually the entire Islamic world against them. And while the Soviets are likely to use political pressures through opposition groups and various tribal movements, military involvement in an attempt to overthrow an Islamic regime is simply too risky. They may have a long-term interest in making Iran a buffer state or a security zone, but they can continue to live with a messy situation.

X

Given the active hostility of the Khomeini regime, the ability of the United States to significantly alter its relationship with Iran is limited. Iran has thus far shown an interest in maintaining a bilateral

[36] Muriel Atkin, "The Islamic Republic and the Soviet Union," in *The Iranian Revolution and the Islamic Republic*, Nikki R. Keddie and Eric Hooglund, eds., Washington, D.C.: Middle East Institute, 1982.

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relationship with the United States in only one circumscribed, although important, area: the implementation of the Algiers accords following the release of the hostages. The Iranian-U.S. arbitration tribunal in the Hague, with its three neutral, three American and three Iranian judges, is functioning well, adjudicating claims which arose out of the revolution.

In other respects, however, Iran has shown no interest in even beginning to return to normal relations with the United States. The 27-acre American Embassy in Teheran and other American properties have not been returned in accordance with international usage. U.S. officials assert that numerous messages sent by the United States to Iran through the Swiss, who represent our interests, have gone unanswered. Indications to the Iranians that the U.S. door is open have met with insults or a willingness to talk only if it concerns a resumption of arms supplies, which Iranian representatives keep suggesting but which the United States refuses because of its staunch neutrality in the Iran-Iraq war.

The United States has taken a number of steps—including the sending of Airborne Warning and Control System (AWACS) planes to Saudi Arabia—in an attempt to keep the war from spreading. It has also quietly supported a number of peace initiatives, but any identification of the United States with an Iran-Iraq peace effort would doom it to failure immediately. In fact, the U.S. policy of neutrality—with its arms embargo on both sides—favors Iraq, as most of Iran's weaponry is American-made; and it has forced Iran to turn to Soviet allies—North Korea (for perhaps as much as 40 percent of its military hardware), Syria, and Libya. (It can also be argued that the recent sale of 60 small non-military helicopters by Hughes Aircraft to Iraq sent the wrong signals to the Iranians.)

The present course seems, however, the only wise one for the United States. So far this country has resisted pressure from the Saudis and the Jordanians to loosen its arms embargo, and allow them to send American-made equipment to Iraq. It would be misguided for the United States to become entangled in the war on the Iraqi side, either directly or through our friends in the Gulf, even if American policymakers believe such initiatives could turn Iraq into some sort of U.S. ally. Iran, with its enormous reserves of oil and natural gas, its crucial strategic location in the Gulf and its size, is clearly the bigger prize.

Similarly, it is shortsighted to carry on a dialogue with any of the exile groups. While the United States has never actively thrown its support behind any one exile group, U.S. officials do maintain an assortment of old contacts, from the royal family, Bakhtiar, and the

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Shah's generals, to Khomeini's outcasts. The ostensible reasons are that they provide this country with information it wouldn't otherwise receive and that should the exile groups form a united front, the United States wants to be ready. However, the reliability of their information is suspect, and any notion that a change of regime may come from outside of Iran is sheer fantasy. In the meantime, it obviously doesn't help the United States with the government sitting in Teheran.

America's emphasis in dealing with Iran has been almost solely military: to protect Western access to Gulf oil by supporting friendly Arab states in the region which feel threatened by Iran and to build up a military capability in the Persian Gulf. According to some high-ranking U.S. military officials, U.S. military planning there is focused almost exclusively on the fear that the Soviets might someday invoke the Soviet-Iranian Friendship Treaty of 1921; although this has been denounced by Iran, the Soviets insist it remains valid, with reference to circumstances under which Soviet intervention might be justified. Other possibilities, such as tribal disruption or a violent or mass Islamic movement in another country, are not treated with the same degree of importance. Ports, roads and airfields being built up in the Gulf are far in excess of internal needs—and could be used as ports of entry for U.S. forces. Oman's port area has been so built up that it is unrecognizable from a mere four years ago. There is an American fleet presence in the Gulf 50 percent of the time. U.S. Marines are thoroughly familiar with the Iranian beaches, the gradients, the terrain of the Zagros mountains. Effective this January, the Rapid Deployment Joint Task Force, a unified command involving an initial 230,000 troops and start-up costs likely to total more than $20 billion, was created just for that region. The assumption ruling its military strategy and tactics is that the Iranians would not be hostile to the United States should there be a confrontation with the Soviet Union. In order for these plans to work, the United States would need Iran for every sort of logistical support—from trucks and cranes to water purification equipment and bridges. What would happen should Iran embrace the other side is not considered.

This military buildup risks a repetition of anti-American movements like the Iranian Revolution elsewhere, even though these movements would be likely to take a different shape. Construction of facilities and arms shipments, however, sparks fears of American domination. Except for Oman, none of the Persian Gulf states has been willing to allow U.S. military facilities on its own soil.

On the policy-planning level, the inability to change the status

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quo in Iran has created a vacuum in U.S. policy and a sense that anything the United States might do to encourage better relations might backfire, resulting in still further U.S. humiliation. The frustrations felt at the time of the hostage crisis are still with us. "The Americans are still traumatized by their failure in Iran, and it is impossible to get them to focus on what is happening there," said one veteran Third World minister whose government maintains close ties with Iran.[37] After an early focus on the strategic situation of the Gulf, the Reagan Administration is now devoting most of its Middle East resources to the Arab-Israeli conflict. "We spend 80 percent of our time on what affects Israel because that's what the President wants," said one Administration official. "We're not really following Iran now."[38] The danger in such a policy of omission is that should there be a radical change in the region—if Hussein were overthrown or Khomeini died, for example—the United States would be ill-prepared to deal with the crisis, just as the Carter Administration's preoccupation with Camp David and its aftermath kept it from focusing on the disruptive events preceding the revolution.

One area where the United States can have influence in Iran is through trade. Iran sees the United States as a trader of last resort, but regularly buys many goods, including food, fertilizers, pharmaceuticals and oil equipment from the United States, usually through a third partner. Following the release of the hostages, the trade embargo for non-military items was lifted. Last year, the United States bought 17 million barrels of Iranian oil on the spot market. Iran has sent out feelers to buy American-made high technology—drilling and oil field servicing equipment, for example. Obviously, with so many U.S. firms having outstanding claims against Iran and the total inability of the U.S. government to protect Americans traveling to Iran, reluctance is understandable. But Iranian trade patterns favor the West: in 1981 Iran maintained about 60 percent of its trade with the West, 14 percent with the Soviet bloc and the rest with the Third World. As oil sales increase this year, it will not need to rely as much on barter arrangements with the Soviet bloc, perhaps encouraging increased trade with the West.

Above all, what must be understood is that no matter who rules Iran, relations with the United States will be troubled at best. For the moment, Iran's revolution is secure, and it is unlikely that even after Khomeini's death Iran will again be dominated by one of the

[37] Private interview.
[38] Private interview

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superpowers. There is little doubt that any post-Khomeini regime will remain Islamic, repressive and revolutionary. Its shape may change: popular appeal may become less important; a structural alliance between the armed forces and the bureaucracy may develop; agricultural and industrial planning may be deferred as long as oil revenues are poured into massive broad-based subsidies. Until the oil revenues run out and the means to sustain an unproductive economy disappear, the revolution can continue in its present repressive form with no overt challenges to its authority.

America does not have the means to direct events in Iran or in the region. But it would be wise not to ignore them either. The United States still has not learned from past mistakes; while a regional military strategy must be developed, understanding the dynamics of the region is even more important.

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Shahram Chubin

THE SOVIET UNION AND IRAN

Four years after the Iranian Revolution, three years after the Soviet invasion of Afghanistan and the Carter Doctrine, the Persian Gulf is no longer so much in the news. Many dire predictions were made in the wake of the double crisis of 1979. Some, looking at the collapse of the local security system and the vulnerability of the West's oil supplies to interference, saw in the Soviet military action an imminent military threat to the Gulf and a pattern for future Soviet involvement in this region. Many also doubted that the regime in Iran would last and foresaw a growing Soviet influence in its revolutionary politics.

With hindsight such fears appear overdrawn. The Soviet invasion did not necessarily constitute a deliberate step toward or herald imminent military action in the Gulf. The Iranian regime has proven less brittle and more tenacious than expected, making its control by any outside power difficult. At the time, however, the West's reaction to both Afghanistan and the Iranian Revolution was uneven, concentrating on the military threat posed by the U.S.S.R. to the region and, in the public debate, primarily on the issue of oil supplies. The two crises precipitated a panic, resulting in a disorderly reaction by oil companies and consumers which led to a virtual tripling of the price of oil.

Although these two events followed closely upon one another, they were not causally related. To be sure, the collapse of Iran and the subsequent hostage issue focused Western attention on it, facilitating Soviet activity in Afghanistan. The invasion, while not necessarily the pattern for future expansion, was one logical result of an incrementalist Soviet policy that came to equate security with control. Iran, also in turmoil and revolution, was different from Afghanistan in several respects, not least in the Soviet calculus of risks and opportunities which arose from continuing Western attention to Iran. The invasion of Afghanistan by Soviet troops, while

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making similar action in Iran more difficult, also makes the exercise of Soviet pressure on Iran easier.

Today the tendency to misconstrue and understate the nature of the Soviet threat to the region may be as significant as earlier overstatements. It is reassuring to argue that Soviet involvement in Afghanistan demonstrates its failure, its inability to influence through example, or to compete in peacetime, and reflects its utter ignorance or contempt for the tribalism, religiosity and individualism of the Afghans—the result of which is an embroilment in a domestic political imbroglio from which it has no attractive or even viable exit. Sucked into an unwinnable war, an atheistic superpower is spending its substance, while tarnishing its credentials in the Islamic and nonaligned constituencies. In this interpretation the invasion is a defeat which should be added to the costs of Soviet overextension elsewhere (Cuba, Vietnam), an unstable Eastern Europe, and domestic problems ranging from demography to agriculture, from corruption to consumer needs.

Applied to the Middle East, this interpretation combines Soviet deficiencies with regional obstacles. The former allegedly include handicaps such as uncompetitive technology, atheism, and, sometimes, plain incompetence. Regional obstacles include the weakness and poverty of genuine Soviet allies, combined with their obstinate will to autonomy and nationalism. In this view, regional politics are deeply resistant to the simple exercise of Soviet influence because of the resurgence of Islamic consciousness, the fragmentation of the Arab world, the difficulty of reconciling commitments to fractious allies, and the complexity of tribalism.

Applied to the Iranian Revolution, this interpretation would stress the inherent problems involved in seeking to influence a society in turmoil during a period of national redefinition. It would emphasize the exceptional characteristics of Islamic resurgence in Iran, the rejection of the Western "model" and dependence, and the quest for a new national order consonant with the indigenous culture. In this view the safest prediction is continued uncertainty—which in itself may prove a barrier to Soviet influence.

There is much that is valid in this approach, but it reveals more of Western than it does of Soviet perspectives; Soviet calculations about overextension or regional obstacles (and even the burden of military expenditures) are assumed, and the logical implications of restraint and consolidation are inferred. Regional complexities may deter, but they may also invite intensified involvement; and overextension may argue for a massive (final) push toward absolute consolidation rather than retrenchment. To impute to the Soviet

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Union similar values, to project Western perspectives onto Soviet policymakers, particularly in third areas, is not a prudent basis for Western policy.

This tendency in the United States—first to exaggerate the imminence of a Soviet "threat" and then, from relief at its failure to materialize in the given period, to discount it altogether—stems from a lack of historical memory and, in this case, experience in the area. Emphasis on changes, interpretations that see current configurations as *basic* transformations, and analyses that talk of Soviet "advances" or "failures" miss the continuities of Soviet policy in the region. There is a shallow and mistaken tendency to add Iran (or Turkey) to the Arab world and to see Soviet policy toward the Islamic-Arab world in an undifferentiated way.[1]

Yet Soviet interests in the adjacent states are paramount, long-standing, and will survive alleged setbacks in Lebanon. Russian interest in its southern borders antedates the discovery of oil and will surely outlive its passing. Whether to widen its buffer for security purposes in Iran, increase its means of influence, or improve its broader strategic situation "in the direction of the Persian Gulf" by access to the Southwest Asian landmass, open seas and, more recently, oil, Russian history testifies to a continuing interest in the Gulf. Western vulnerability is a new bonus that gives the U.S.S.R. potential leverage, while Soviet-bloc future energy needs add a new incentive for according the region high priority.

Soviet policy in the region is complex and ambivalent, motivated both by calculations of profit and damage limitation, of opportunism and conservatism. This dualism is evident in almost all Soviet policy, but its precise manifestation and mix depend on specific circumstances, including the degree of Soviet stake (or commitment), the receptivity of the region (or target-state) and the prevalent correlation of forces. Abstract general propositions are useless as these factors vary over time and from issue to issue. What is clear is that Soviet policies have no fixed blueprints; nor are they random affairs: there is a discernible pattern of tactical opportunism.

Proximity, persistence and implacability account, in my judgment, for its strengths. By an indirect policy, using all its instruments of power and influence, the U.S.S.R. can take incremental steps that are difficult to deter and whose reversal cannot always be left to regional forces. A willingness to hedge by supporting several (often competing) sides—as in the Iran-Iraq, Syria-Iraq, or North-South Yemen conflicts (as well as the opposition within North

[1] See Karen Dawisha, "The U.S.S.R. in the Middle East: Superpower in Eclipse?", *Foreign Affairs*, Winter 1982–83, pp. 438–452.

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Yemen)—guarantees some Soviet influence and participation in issues which affect the region's politics. It may also yield embarrassments and setbacks, but these are the products of both power and a willingness to play the murky politics of the region. After all, influence-building is, in Professor Alvin Rubinstein's phrase, "an untidy business."

A willingness, indeed an insistence on being involved, does not guarantee success: "gains" are neither irreversible nor always advantageous. The dire predictions of 1980 have not, after all, been borne out. Yet the issue of Soviet imperial expansion will be no less important in the future, for all the current emphasis on the "constraints" operating upon it.

Iran in particular will remain a geopolitical prize (or booby-trap), whatever its political complexion. It remains a special case, isolated, militarily weak and in the throes of a turmoil whose outcome is uncertain. Like a willful adolescent, the Islamic Republic seems intent on making up for its period of enforced tranquillity with a paroxysm of self-expression. Its strategic location will invite the interest, and its instability will provide the opportunities, for mischief-making by other powers. The Persian Gulf, which Iran dominates geographically and demographically, will remain the major source of oil in world trade and become increasingly important by the end of the century.

Iran is not typical of countries outside the two blocs. But the overlapping interests in Iran of the two superpowers and blocs will make it the single most important touchstone of East-West relations in the Third World. It will constitute a test of Soviet behavior toward a neighbor and of America's ability to manage relations with both the U.S.S.R. and a volatile Third World state in a region of strategic importance. Precisely because the trends within Iran, and Soviet policy toward Iran, yield no clear picture, it is important to keep the region under close observation.

In the following pages, I will first examine the evolution of politics in Iran and its impact on Gulf security; second, discuss Soviet policy toward Iran; third, analyze the prospects for Soviet influence and the likely evolution of Iran's politics; and, finally, make some observations regarding Western policy.

II

The Iranian Revolution came as a surprise to most observers of the Middle East, who had become conditioned to look for military coups motivated by secular (and sometimes socialist) ideologies, not a mass uprising in the name of Islam. Precisely what this uprising

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entailed, in terms of actual practice, became clearer in the years following the installation of Ayatollah Ruhollah Khomeini, as the national coalition forged in the white heat of opposition melted away. In successive stages, the clergy under Khomeini, in alliance with the urban lumpen-proletariat, shed its erstwhile partners—the liberal intellectuals, the secular nationalists, the minorities and the left—moving inexorably toward a populist dictatorship.

As the drama of the revolution unfolded, the revolutionary script became that of the hero and not that which had impelled many to join the cast. Achieving consensus beyond slogans proved more difficult than some had imagined. The Shah had been accused of corruption, repression, insensitivity to the dispossessed and the wholesale despoiling of the country to foreign interests, of bad policies of development and overdependence on the West. Yet none of the opposition forces had expected the sudden collapse of the Imperial regime and none had prepared any program for government. As a result, policies after 1979 were increasingly divorced from the reality of the nation's needs and revolved around factional quarrels and political theater.

With the hostage crisis, anti-Americanism was manipulated to precipitate a second revolution. Suppression of the Kurds, official terrorism against the opposition (clerical or secular), and the export of the revolution into Iraq intensified. The formal trappings of elections and referenda were maintained but emptied of content by intimidation, restrictions and reinterpretations. By mid-1980, one sympathetic observer noted, the state was paralyzed, unemployment rife and the foreign exchange reserves depleted, while complaints against an already divided clergy were daily increasing.[2] This was before either the war with Iraq or the decimation of the leadership of the Islamic Republican Party, the dominant "political party," in bomb attacks by the Mujahedeen in mid-1981.

Politics in Iran continue to be best understood in terms of personalities and factions rather than issues or programs, although these last have surfaced more recently. And revolutionary politics have been animated by a continuing struggle for power among the various clerical factions; repression of the opposition, particularly the Mujahedeen but also the Kurds, the Qashqais, the Bahais, monarchists, and others; and attempts to maintain the élan and momentum of the revolution by emphasizing the need to export it and the threats to it lurking nearby.

Without any real cohesion in doctrine or organization, the regime

[2] Eric Rouleau, "Khomeini's Iran," *Foreign Affairs*, Fall 1980, p. 19.

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has been unable to run the governmental machinery with any great effectiveness. Its primary concern has been with the bare essentials and the satisfaction of its core constituency: the mobs which it can mobilize for street politics. Inflation, unemployment, corruption and repression, one might have thought, would have brought the country to the edge of economic and spiritual ruin. The war with Iraq, now in its third year, has consumed one-tenth of the country's resources.[3] Refugees from the war zone number 1.5 million, not counting another 100,000 Iranians formerly in Iraq.[4] Teheran has recently allocated $1.2 billion for the reconstruction of the war zones as well as a further $4 billion for the continuation of the war in the coming year (March 1983–March 1984).

Despite the problems, Iran's economy has been functioning: basic necessities are available, and distribution and imports are adequate to the society's needs. In recent months the economy has improved due to an aggressive oil export policy which has tripled production since the start of the war, and Iran's willingness to discount below OPEC prices to increase its market share. With exports of some two million barrels per day in the last few months, enough income has been generated over and above imports (which total $1 billion monthly including arms) to build up foreign currency reserves.[5]

The regime's durability and resistance in the face of much adversity is attributable to two phenomena. First, it is a revolutionary regime based on the mobilization of a previously politically inert population. It can—uniquely—claim a mass mandate, a broad-based support which has repeatedly been tested. The regime probably still has the strongest popular base in the Islamic Middle East. Through the act of internal restructuring, it has tapped and liberated new energies which make it in some senses the most powerful and most formidably stable state in the region. As a result it possesses a resilience denied other regimes. After assassinations it regenerates itself; it thrives on crises, local opposition and internal war, external conflicts and "threats to the revolution." Riding high on its legitimacy, the regime is judged domestically by its aims, not its achievements.

Second, the revolution is an authentic indigenous expression of a diffuse malaise in the national psyche. The use of Islam as an

[3] And one-tenth of its currency reserves, according to official Iranian figures. Majlis speaker Hashimi Rafsanjani, Teheran Home Service, October 22, 1982, in BBC Summary of World Broadcasts, ME/7165/A/3, October 5, 1982.

[4] According to Prime Minister Musavi there are also a further 1.5 million Afghan refugees. November 7, 1982.

[5] *The Financial Times*, November 1, 1982. Due to a tripling of oil prices in 1979, the Iranians with one-third of their former level of exports can generate the same revenues.

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ideology with a national appeal—leavened with class and cultural grievances—has enabled the clerics to establish, run and legitimize a political system wholly new to Islam. Buttressed by a nationwide network of mosques and mullahs, the regime is challenged by no competing ideology or movement of equal breadth and depth. This, together with the specific features of Shi'ism (particularly its mixture of passive fatalism and militant martyrdom) and Iranian political realities (religious programming and economic inducements combined with intimidation and liquidation), assures the regime a certain durability.

If this analysis is sound, it would be erroneous to apply normal criteria to an assessment of the regime's viability. Revolutions are not judged on their economic performance. Stringencies, whether arising from the war or mismanagement, will translate only slowly into political opposition. The economic burden of the war is manageable; it consumes people rather than money. The war has served its domestic functions, externalizing energies, excusing economic problems, occupying the armed forces, and justifying draconian measures against the "enemy within." Khomeini has expressed the strength of the regime simply:

> If the motive behind this revolution and uprising had been similar to the motive of other movements and uprisings and had been aimed at achieving mundane and earthly things; if the motive had been to establish a lower cost of living . . . then those who want to complain [would be justified] . . . . Needless to say the people's masses have no complaint. . . . What you wanted was Islam; what you wanted was an Islamic republic; what you wanted was neither West nor East. All these objectives have been achieved.[6]

III

The revolution in Iran struck a responsive chord in the Islamic world, perhaps more with peoples than with governments. There was a great deal of sympathy for its initial impulse. Its example, the ability of Islam to articulate popular grievances and to act as a cohesive force in society, was a source of inspiration to many Muslims and a powerful reminder of the limits of temporal power and the need for popular accountability from their governments. The Islamic Republic's adherence to nonalignment and its support for the Palestinian cause were welcomed by the Islamic-Arab world, which had perceived the Shah's military acquisitions, pro-Western orientation and balanced relationship between Israel and the Arab

[6] Teheran Home Service, October 17, 1982, in ME/7160/A/3, October 19, 1982.

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states as threats.

The impact of the revolution on the Western-supported security structure in the Persian Gulf is well known. The Islamic Republic's militant and anti-Western posture, its espousal of the Palestinian cause, and its support for a rejectionist line toward Israel served to inhibit the conservative regimes in the Gulf. At the same time its refusal to accept "artificial distinctions" within the Islamic community, whether between Iranian and Arab, Shi'a and Sunni, appeals to a very broad constituency in the Middle East.

In practice Iran's foreign policy has not been a coherent one, fluctuating according to the domestic fortunes of its formulators. At times it has proclaimed fraternity with the Arab states, at other times has asserted Iran's primacy in the Gulf (and, since the revolution, has retained islands it inherited which are claimed by the Arabs). Sometimes it has appeared to be motivated by an interest in a wider Shi'ite constituency, as in its involvement in Iraq, Lebanon and Bahrain. At other times pragmatism rules, as in its support for Syria against Iraq (both Ba'ath socialists) or acquisition of arms from Israel. Periodically, Iranians in the Gulf states or on their annual pilgrimage are exhorted to express themselves politically, resulting, for example, in pro-Khomeini demonstrations in Saudi Arabia and the deportation of 140 Iranian pilgrims in the fall of 1982. However, the active export of the revolution by the Iranian government is specifically disavowed.[7] Iran's definition of "corrupt regimes" appears to have something to do with its general revisionism toward the status quo. Specifically, grievances against Iraq have been put into the broader Islamic-Arab context: "the road to Jerusalem lies through Baghdad."

Whether motivated by Islam, Shi'ism, revolution or Iranian nationalism, the Islamic Republic has become a greater force for regional disorder than the Shah ever was. And this without a modern military or a Western connection. The power it derives from its domestic structure is pervasive in that it emanates from an example or model which cannot be refuted and can only be discredited. Speaking to those who are uprooted, confused and alienated, particularly in states such as Iraq, Bahrain, Kuwait, the United Arab Emirates, Saudi Arabia and Lebanon, where there are significant Iranian or Shi'ite "dispossessed" minorities, the Iranian model for seizing power may commend itself. In nearby countries, where

[7] "The concept of exporting revolution is not one of resorting to force to impose the revolution on others; it is to spread and communicate thoughts and a thesis of action so as to establish Islam in Muslim countries." Majlis speaker Hashimi Rafsanjani, Teheran in Arabic, February 4, 1983, in ME/7256/A/6-7, February 7, 1983.

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the Iranian government can provide assistance, the risks that revolution may spread grow appreciably; the more so since Iran has shown, in Bahrain in December 1981, that it is not so preoccupied with its war against Iraq that it cannot provide a helping hand. Iran's political situation gives little cause for optimism over an early return to emphasizing domestic consolidation over external adventures—particularly as its leadership denies that these adventures are "external" to the concerns of the Islamic community.

In the Gulf, Iran's continuing conflict with Iraq, based now on a massed offensive, now on a strategy of political attrition within Iraq, raises the prospect of an eventual Iranian hegemony. Whether as an Iranian satrap or as a truncated rump-state, a humiliated, defeated Iraq, leading to a balkanized region, is a menacing possibility. This specter has galvanized the sheikhdoms into a measure of security coordination in the Gulf Cooperation Council. It has also accentuated countervailing trends, such as the strength of national loyalties and the cultural differences between Arabs and Iranians—as well as Sunni and Shi'a—that limit the potency of Iran's claims and appeal.

In the broader field of inter-Arab politics, Iran has sharpened existing divisions over priorities (Iran or Israel? Islam or Arabism?) and aggravated longstanding disputes (Syria versus Iraq). The parlous stability of all Arab regimes and inter-Arab differences make the achievement of an Arab consensus vis-à-vis Israel all the more difficult. And the Iranian Revolution both reflects and contributes to this instability. In all states governmental authority and legitimacy have been weakened, as the forces set loose by education, urbanization, the demographic profile and rapid change have disoriented traditional cultures and increased demands on governmental structures. Iran's support for the rejectionist states, Libya and Syria, and its unremitting hostility toward (and propaganda against) any Saudi proposals, whether the Fahd plan or in OPEC, completes the fragmentation of the Arab world.

IV

With Iran's revolution a firmly pro-Western regime was replaced by a staunchly anti-American government. While it is not equally anti-Soviet, the successor cannot be called pro-Soviet either. Nevertheless, there has been a measure of overlap between its policies and Soviet interests, and the revolutionary process is not yet complete. In one view, it may thus provide many opportunities for Soviet advances and extensions of influence and so merits careful attention and a high degree of concern.

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Against this is a second view that sees Iran's present relationship with the U.S.S.R. as largely a reflection of an intense anti-Americanism. It views Iran as staunchly nationalist-Islamic and resistant to Soviet influence or subversion. It can point to instances where Soviet interests have suffered at the hands of the revolution. It is more sanguine both about Iran's future and that of Soviet policy in Iran. The foundations of these respective interpretations need to be assessed.

There is little basis in its declaratory policy on which to fault the Islamic regime. Its self-conception is certainly of a unique regime insistent on striking a "negative equilibrium" between the superpowers. This has meant a policy that is supportive neither of West nor East, and implies a posture that minimizes contact with either bloc. Officials proudly assert that the Islamic Republic

> . . . not only put an end to the oppressive domination of the West, but in the struggle to achieve real independence from the West, it never tilted towards the East.[8]

Soviet assistance to the revolutionary forces is specifically disavowed; indeed it is recalled that the Soviet Union criticized the Shah's opponents. Furthermore, the revolution, its spokesmen assert, is a challenge to Marxist ideology, which has tried to monopolize the concept of revolutionary change, and constitutes a "hurdle to Eastern colonialism, party dictatorship and exploitation through 'state capitalism' . . . ."[9] In a similar vein, Iranian officials tell Westerners: "You know we are the best protection you could have in this area against a Soviet takeover."[10] Often officials equate the superpowers, alleging that they have joined together to "devour the world" and especially the developing countries.[11]

Iran's insistent autonomy is evident in other areas. Domestically, the Tudeh (Communist Party) has been generally tolerated (some argue for historical reasons[12]) but not given free rein. Occasionally its leaders have been arrested or forced into hiding, and its publi-

[8] Text of speech by Behzad Nahavi, Minister of State for Executive Affairs, Conference of Foreign Ministers of Non-Aligned Countries, New Delhi, February 12, 1981, pp. 2–3. Iran's Foreign Minister echoed this recently: "When we ended American domination here, we did not intend to substitute another one for it." *International Herald Tribune*, November 10, 1982.

[9] Navahi, *op. cit.* pp. 6, 8.

[10] R. W. Apple, Jr. records this on a recent visit. *International Herald Tribune*, November 15, 1982.

[11] Ayatollah Montazeri, Khomeini's choice as successor. Teheran Home Service, 10:30, January 1, 1983, in ME/7221/A/5, January 3, 1983.

[12] They are explained by Rouleau in "Khomeini's Iran," *op. cit.*, p. 18, and relate to the Tudeh's early support for Khomeini dating from 1964, their support for the Islamic Republic and their vehement hostility to the U.S.

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cations suspended. Recently some of the leaders were arrested on charges of spying for the Soviet Union—reflecting a deterioration in relations with the U.S.S.R. and a shift in the balance of power within the Iranian clergy. In the past the Tudeh's freedom has been conditional on support for the regime and, in practice, subject to constraints. Officials have occasionally referred to pro-Soviet leftists, "disguised as Muslims," who had infiltrated revolutionary institutions. The Majlis Speaker Rafsanjani had referred to the Tudeh's "very ugly record," which "has made it an ill-famed group."[13]

Similarly, one can point to Iranian opposition to the Soviet Union predating the Afghanistan invasion, and to its subsequent condemnations and continuing hostility—evidenced by a refusal to enter into discussions with the Kamal regime. Iran's preconditions for a settlement—unconditional Soviet withdrawal and the Afghanis' complete freedom of choice—are scarcely accommodating to Moscow. Beyond verbal opposition, Iran's tolerance of protests outside the Soviet Embassy in Teheran elicited strong notes of protest from Moscow in 1980 and 1982. In addition, some concrete assistance has been provided to the Afghan resistance and this commitment has been reaffirmed from time to time.[14]

Despite Iran's security problems, it has not yet become directly or significantly dependent on Soviet arms. Arms reaching it from the Eastern bloc, mainly North Korea, Syria and Libya, have been purchased indirectly. Iran has sought arms on the open market and from Western sources as well. Iranian officials point to their purchases of ammunition from both blocs; their restriction of larger acquisitions to smaller countries is intended to avoid excessive dependence on any one source. Reports of purchases from the Soviet Union are contradictory, but some Iranians seem to distinguish between arms (permissible) and advisers (unacceptable).[15]

As further evidence of Iran's autonomy, reference may be made to Iran's continued prosecution of the war against Iraq. The Soviet Union has consistently condemned the war as fratricidal, regionally divisive, a drain on Iran's resources, and potentially provocative to the West, which would use it to justify a military presence in the region. After the revolution and before the outbreak of war in September 1980, the Islamic Republic demanded as an indicator

[13] See *International Herald Tribune*, November 23, 1981, November 15, 1982; *The Sunday Times* (London), January 3, 1982; *Le Monde*, January 7, 1982; *L'Express*, August 13–19, 1982.

[14] For example by Interior Minister Nateg Nouri in Pakistan in January 1983.

[15] See Prime Minister Moussavi, *Le Monde*, December 12, 1981, and President Ali Khamenei, *Le Monde*, February 16, 1982; *Newsweek*, February 22, 1982.

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of Soviet goodwill a cessation of arms supplies to Iraq. In recent months Soviet supplies, which had been curtailed, have resumed, and Iranian criticisms have revived.[16]

The Islamic Republic, it could be observed, has not been excessively sensitive to Soviet interests either. It terminated a gas-supply agreement it had inherited on the grounds that the price to be paid by the U.S.S.R. was exploitative. It has not hesitated to expel Soviet representatives—in mid-1979 for spying and in January 1983 a Tass correspondent for "inadequate journalistic activity."[17] It has curtailed and limited cultural activities between the two states, thereby eliciting Soviet criticism. It has also sought to diversify trade relations and especially to increase commerce with the Third World. (As a result, the share of imports from the less developed countries doubled in 1979–1981 to 18.5 percent of the total, while that from the industrialized OECD countries fell from 80 percent to 64 percent.) Finally, Iran's cultivation of ties with its pro-Western neighbors—Turkey and Pakistan—may be viewed as evidence of pragmatism, a trait which the Soviet Union is not keen to encourage in this context.

This summary, it could be argued, suggests that Iran, far from slipping under Soviet influence, has not spared the U.S.S.R. on some issues and has in fact retained a militant independence. But by itself this conclusion is inadequate for an appreciation of the situation, for there are areas in which the relationship has grown and issues on which Iranian reticence is remarkable.

It might have been supposed, for example, that the combination of past Soviet support for the Shah, strong commercial relations, military operations against co-religionists in an adjacent country and a large-scale military buildup on Iran's borders (not to mention instances in living memory of Russo-Soviet imperialism in Iran) would have disposed the fiercely independent Islamic regime to treat the Soviet atheists at least as harshly as the more distant Americans. Curiously, the political climate since the revolution has not permitted this. Bazargan lost his job as Prime Minister, Bani-Sadr was "considered suspect" for promoting equidistance between the superpowers, and Ghotbzadeh defamed as an "American agent" for seeking to maintain a negative balance. No such fate befell those promoting ties with the Soviet Union: Energy Minister Ghafuri

[16] Moscow is accused of trading arms for the release of Iraqi communists by Iranian newspapers like *Ettela'at*. See Teheran in Arabic, December 21, 1982, in ME/7217/A/4, December 24, 1982. See also the extremely critical commentary by Teheran in Turkish, January 19, 1983, in ME/7239/A/8-9, January 24, 1983.

[17] See *Le Monde*, January 25, 1983.

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Fard could refer to the U.S.S.R., in January 1982, as "a friendly country" without any apparent reaction.

In this climate of officially sponsored anti-Americanism, compared with only sporadic criticisms of the U.S.S.R., the achievement of a real balance between the two superpowers has been made difficult. In addition, there are numerous cases of Iranian indulgence of the U.S.S.R. The first ambassador received by Khomeini was Vladimir M. Vinogradov of the U.S.S.R. When foreign banks were nationalized, the Russo-Iran bank, the only bank exclusively foreign-owned, was exempted. When all secular political parties were banned, the Tudeh's activities were still permitted until January-February 1983. Iran has often shown uncharacteristic patience and restraint regarding Soviet activities in Afghanistan. It is a striking fact that criticisms of the U.S.S.R. were much more direct and authoritative before than after the invasion.

Indeed, Khomeini responded to the invasion lethargically, allowing six weeks to pass without comment. This attitude has sometimes informed Iran's diplomacy. In response to a Soviet protest over demonstrations in Teheran against the Soviet occupation, the foreign ministry could bring itself only to refer to "foreign forces" in Afghanistan—a Soviet formulation justifying its "defensive" invasion.[18] When a Soviet offensive in Farah province in Afghanistan led to an incursion into Iran, the bombing of a town, and a resultant loss of 50 Afghan lives, news of the episode was sparse and the Iranians were apparently satisfied with the Soviet Union's immediate apology for the "error." Statements by Soviet officials that appear menacing toward Iran in their implications have also been ignored. Politburo member Geidar A. Aliyev, before his promotion, told Western visitors that whereas Soviet Azerbaijanis had developed their full potential, those in Iran had remained backward; it was his "personal" hope that the Azerbaijanis would be united in the future.[19]

Such restraint has also been evident in Iran's own behavior in Afghanistan, which contrasts with its verbal militance and indeed with what one might have supposed would have been a monument to Islamic solidarity. Iran has refused to allow a radio station in its territory for the Afghan resistance. Iranian assistance, directly and as a conduit for aid to Pakistan, has also declined. This may be due to Soviet pressure, if Soviet-bloc arms for the war with Iraq are made conditional on such limitations. Another indicator of a less

[18] Text of Foreign Ministry note, Tehran, January 1, 1983, in ME/7221/A/3-4, January 3, 1983.

[19] See *The Times*, November 29, 1982. See also *International Herald Tribune*, November 30, 1982.

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than total commitment to nonalignment is the establishment with the U.S.S.R. of a listening station in Baluchistan, which enables the Soviets to assess activities on the Pakistan-Afghan border.[20]

However, it has been in the military-security domain that Iran's tilt toward the U.S.S.R. has been most pronounced. Iran's isolation has immeasurably facilitated this. From the start of the Islamic Republic Moscow urged that the regular armed forces be disbanded in favor of an armed popular militia, presumably because the military were considered Western-trained and therefore pro-Western. At the same time Moscow started to ingratiate itself with the regime by providing it with information—through the Tudeh—on those fomenting coups and conspiracies in the armed forces.[21]

Once the Iran-Iraq war started, Moscow clearly tilted in favor of Iran by warning of Iraq's impending attack; then supplying jet fuel by air-tanker; giving reassurances about its own military dispositions to enable Iranian redeployments to the southwest; and still later, providing tactical information derived from satellite photography.[22] Though the Kremlin denies it, Moscow reportedly also offered at an early stage to supply arms directly, but the Iranians refused.

Sometime in mid-1981, however, the Iranians agreed to accept Soviet security assistance, presumably due to the exigencies of both the war front and the rising tide of bombings inside the country by the Mujahedeen, which threatened not only the leadership but the revolution itself. In July 1981 a three-year renewable military agreement was signed with the U.S.S.R. It provided for the training of Iranians in the Soviet Union, the extension of technical assistance and the loan of Soviet advisers to Iran.[23] By November 1981 there were reports of Soviet experts in the security field arriving in Iran with the appropriate Farsi language skills. Their mission apparently was to help train the Iranian security service (Savama) and the revolutionary guards (Pasdaran).

The precise number of Soviet, as opposed to East-bloc, *military* advisers and technicians operating in Iran is difficult to ascertain. Since the revolution there have been an estimated 1,500–2,000 Soviet advisers and technicians of all types in Iran, and evidently some of these have been military.[24] East-bloc advisers have accom-

[20] *Time* magazine, March 8, 1982, p. 32.

[21] It is a reasonable assumption that the Tudeh information came from the KGB at the Soviet Embassy. See *Le Monde*, July 2, 1980; *International Herald Tribune*, July 4, 1980.

[22] See respectively *Le Monde*, January 5, 1981; *Aviation Week and Space Technology*, November 3, 1980; and *Newsweek*, August 9, 1982.

[23] The text of this agreement is reproduced in the Iranian paper, *Iran Azad* (Paris), November 20, 1982. This is a publication of opponents of the regime. The text appears authentic and has not been challenged. See *L'Express*, December 3, 1982, p. 65.

[24] This estimate seems to be held in common by U.S. and European officials, see *International Herald Tribune*, March 9, 1982; *The New York Times*, October 31, 1982.

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panied the arms supplied. In addition, North Korea, a major arms supplier, has 300 military advisers in Iran.[25]

Though the distinction between the direct and indirect supply of arms is not always an easy one, what is clear is that the Soviet Union has gained some sort of foothold in Iran in the military-security area. Moreover, Soviet assistance has not been unconditional. We have noted the possibility that limitations on Iranian support for the Afghan resistance were extracted; this assistance might also account for the anomalous cases of restraint noted earlier. In addition, the Soviet Union has reportedly gained access to the radar-signal processing system of the F-14 in exchange for its assistance.[26] Certainly the training of the Pasdaran risks the infiltration of Soviet nominees—such as, according to some reports, members of the Tudeh—and their use to further Soviet activities in Afghanistan.[27] Furthermore, Soviet security assistance may allow the U.S.S.R. to dominate the flow of information regarding threats to the regime, and enable it to suppress those reports it considers unfavorable. Subsequently, Soviet protection may prove difficult to dislodge.

If this pattern of tolerance, reticence and tactical cooperation is evidence of anything, it is not of an equidistance between the two blocs. It suggests a willingness to defer to the U.S.S.R. when necessary and to exploit it when profitable. Whether the balance between these two inclinations can be maintained remains to be seen.

V

The Soviet Union was no more alert or insightful than the West about the causes of the revolution, but it saw in its course both opportunities and risks. The balance between these has not significantly changed since 1979, and the Soviets remain poised between the prospect of great benefits and the specter of defeat and rejection. They have had few illusions about controlling the revolution; deep social forces are not easily influenced and there can be no guarantee of a foreordained outcome. Precisely because the process is inherently a dynamic one, with no inevitable resting-point, it is also exploitable. Marginal Soviet influence—through coherence

[25] North Korea has provided 40% of the estimated $2 billion of arms bought by Iran, according to official U.S. estimates. *The New York Times*, December 19, 1982.

[26] *The New York Times*, October 31, 1982.

[27] Afghani exiles report a circuitous relationship between pro-Soviet elements in Iran, including the Tudeh, the Pasdaran and the radical clergy, and Soviet activities in Afghanistan. They note that friendly Iranian mullahs help certify the Islamic credentials of Afghanis trained by the Pasdaran. They then return to Afghanistan, specifically in the Hazarah region, to work for the Soviet Union. Personal interviews, January 1983.

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rity. A weakened and isolated Iran provided opportunities for Moscow, while Iran's anti-Western activity in the Gulf, for all its risks, was pregnant with possibility.

Intimations of Soviet doubts (evident in Brezhnev's qualifications) focused on the future roles of the clergy and Islam, which the U.S.S.R. had underestimated in the past and which might get out of hand. Acknowledging that Islam had the potential to be a means of "expressing social protest" or a "means of legitimizing the secular authorities" (as in Pakistan) or even a force for reaction (as in Afghanistan), Soviet analysts have argued the need for an assessment of "the real content of Islamic movements" with particular reference to their "class" composition. In the specific case of Iran, while conceding Khomeini's importance, Soviet commentators are unwilling to go further; they simply note that many progressive forces came together "under the banner of Islam" and that this gave the revolution "a special character."

In the last few years the Soviet Union has consistently sought to radicalize the regime in Iran and, in the process, to become its acknowledged protector. Internationally, the most well-known example is the hostage episode, during which Soviet broadcasts were inflammatory. Right up to the final hours of this crisis, Soviet publications were warning of an imminent American attack. Apart from diverting attention from Soviet activities in Iran and Afghanistan, this event contributed to Iran's international isolation and to the siege mentality of the regime. The more isolated commercially and diplomatically from the West, the more dependent Iran became on the U.S.S.R., especially for transit overland but also for trade.[29] The more beleaguered and embattled the regime, the less likely the prospect of any voices being raised against Soviet activities. The hostage crisis was useful, and Tudeh leader Nureddin Kianoori admitted that his Party's support for the seizure was precisely "to block the normalization of relations with the U.S. which certain Iranian politicians want."[30]

It was reasonably easy to argue that, on the domestic front, the revolution needed to close ranks, that no group should monopolize it, and to underscore the Tudeh's demands to be included in a national front. It was also convincing to point to the U.S. threat to the revolution and conclude that those arguing for equidistance were guilty of treason. And it was but a short step to posit that support for the Afghan resistance was equally tarnished: "It is

[29] In 1981 Iran-Soviet trade reached $1.1 billion, the highest ever. This included 2.2 million tons of oil to the U.S.S.R. In addition, there was significant barter trade with the Eastern bloc.

[30] See Tudeh leader Nureddin Kianoori's comments in *Le Monde*, April 18, 1980.

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taries on Iranian politics are guarded, aware of the "contradictions" and apparently embarrassed by the regime's excesses. Sometimes, as in the Iran-Iraq war, Soviet analysts simply note the connection between the continuation of hostilities and Iran's domestic political considerations.

The possibility that the revolution might be swayed into an anti-Soviet orientation preoccupies the Soviets. Tolerant of Iran's activities in other domains, they have shown acerbity and concern where they see themselves directly affected. Reference has already been made to the unacceptability (even provocativeness) in Soviet eyes of the concept of equidistance. A recurring theme of Soviet complaints is the "artificial limit" which Iran has placed on economic and cultural contacts with the U.S.S.R.[34] This aggrieved tone on occasions spills over into accusations that the regime is being taken over by conservative clerics acting in league with the bourgeois, monarchists and Americans to end its revolutionary character.[35] The principal Soviet concern is any evidence of attempts to reintroduce a balanced orientation toward the two superpowers, and, domestically, to arrest any trend toward ever more radical (and often socialistic) measures. It is indicative of Soviet pretensions that Moscow can claim to be the injured party and feign stoical restraint over an issue on which the Iranians are themselves divided and seeking a resolution. In the West, such Soviet complaints are often treated not as evidence of the nature of Soviet claims vis-à-vis their neighbor, but as comforting reassurance that Moscow "too" is unhappy with the Iranian Revolution.

VI

In the past four years the Soviets have usually refrained from clearcut criticism of the Khomeini regime. Only in mid-1979, when the government suppressed the Tudeh, was there scathing Soviet comment; the ban was lifted shortly thereafter. But since the regime began to take stronger measures against the Tudeh in the summer of 1981—culminating in the arrest of some of its leaders early in 1983—Soviet criticism has become more marked and now has a certain ominous ring, not only suggesting Soviet dissatisfaction with the regime but challenging its popular support: "Certainly, the Iranians themselves are not satisfied with their domestic situa-

[34] See for example, Moscow in Persian, October 1, 1982, in SU/7150/A4/1, October 7, 1982; October 22, 1982, in SU/7166/A4/1-2, October 26, 1982; January 6, 1983, in SU/7234/A4/3, January 18, 1982.

[35] See for example, P. Demchenko, "The USSR and Iran: In the Interests of Good Neighbourliness," *Pravda*, March 9, 1982, in *Current Digest of Soviet Press*, XXXIV, No. 10, April 2, 1982, p. 11; Dmitri Volski, "The Paths of the Revolution," *New Times*, January 1983, pp. 13–15.

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unfriendly government, and Soviet support for the Kurds has tended to coincide with periods of poor relations with Teheran.) This is true of any force opposed to the central government, be it tribal, ethnic (secessionist), or ideological. Soviet contiguity would facilitate the provision of arms, training and a sanctuary. The government thus has an incentive not to antagonize the Soviet Union lest it find its domestic opposition the object of Soviet generosity.

The positive value of Soviet goodwill is equally important. Soviet military power can help deter hostile acts against Iran from abroad, and can help stabilize the existing regime. In any event, the Soviet capacity to weaken or strengthen the Islamic regime exerts considerable psychological pressure on the central government to accommodate Soviet interests.

This brings us to the role of the Tudeh Party in Iran's circumscribed politics. While numerically small (perhaps 10,000), the Tudeh has expanded since the revolution and apparently infiltrated strategic sectors of industry and government. Its great advantage to Moscow is in its direct channel to Iranian society, which is denied the West. Its limited base is more than compensated for by the organization and ideological cohesiveness which make it disproportionately effective in the fluidity and confusion of Iran's politics. With Soviet assistance (financial, training, diplomatic), and in conjunction with a wing of the Fedayeen guerrillas, the Tudeh has had the freedom to influence the political milieu and debate in ways harmful to the West and advantageous to the Soviet Union. And in a succession struggle, the Tudeh, with other "progressive" forces or individuals, could be used to help cement a national front or to manufacture an "invitation" to third parties for fraternal assistance.

The Tudeh's identification with the U.S.S.R. has always limited its potential appeal in Iran. Nonetheless, with the brief exception in mid-1979 already noted, the Khomeini regime in its early years accepted Tudeh support and tolerated its activities. Since mid-1982, however, this policy has changed, initially as a result of changes in a conservative direction in the continuing power struggle among the Iranian clerics, and with greater intensity after Moscow's decision in late 1982 to resume arms shipments to Iraq. The recent arrest of Tudeh leaders, on charges of espionage for the U.S.S.R., follows on a number of measures within the past nine months to limit Iran's ties to the Soviet Union and to impose restraints on Soviet-related activities within Iran. But the subsequent release of many of the arrested leaders shows that the Khomeini regime is still moving carefully, and remains conscious of the leverage the

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determined as a result of a process of competition, not from any natural consensual evolution.

In sum, the optimistic scenario assumes, inter alia, that domestic forces will allow a drift toward equidistance and that the U.S.S.R. will be unwilling or unable to stop it.

There is another equally plausible scenario. This would see a long, divisive and costly struggle for power within the revolution's ranks. The principle of clerical rule itself could become the subject of dispute. In any case the clerical factions would seek allies among secular and armed elements: the Pasdaran, the armed forces, and even the cadres mobilized for the war (the Basij). A long drawn-out struggle would erode the revolutionary consensus and draw in various dissident groups. The left, including the Mujahedeen, Fedayeen, and Tudeh, could in this setting grow in strength—less from a national base than from the continuing radicalization of the young and unemployed.

A third possibility would be a discrediting of the clergy and their ouster by an opposition coalition composed of the army, the minorities, the middle class and the left. The strength of this grouping would be in its capacity to revive the economy and to play on the weariness of a populace satiated by bloody excess; its weakness, the lack of a national network to compete with the mosques.

Obviously, these three possibilities would present very different pictures in terms of Soviet interests. A genuine policy of equidistance, combined with a trend away from radical measures, would be hard for Moscow to swallow, but so long as the Khomeini regime stops short of actual provocation, the Soviet reaction would probably be limited to repeated protests and criticism along the lines that have become evident in the last nine months. Essentially, the Soviets would be watching and waiting to see whether an equilibrium developed.

The second possibility, on the other hand, might well draw the Soviet Union into a much more active policy of pressure and even attempts at intervention. And the third—which would almost surely be regarded as contrary to Soviet interests and might take on a pro-Western tinge—could drive the Soviet Union to act in some dramatic fashion to undermine such a new regime.

The future of Iran's politics is unclear. Unless stabilized, its dynamics could increase the pressures on the U.S.S.R. to act in support of one faction against another. The principal events to watch in the future are the succession struggle after Khomeini's death, the role of the Tudeh and the Soviet response, and Iran's decision on the major arms purchases which will soon be necessary.

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them, Iran and Turkey have the only borders that the U.S.S.R. has not extended since 1918—and this is not for want of trying. As a multinational empire the Soviet Union claims a particular interest in the lands bordering it, particularly where the ethnic composition is similar. Unlike its policy in the Arab world, where it has supported integralist movements, the Soviet Union has not been supportive of a strong or stable Iran on its borders.[37] Such strength or stability could result in a wilful neighbor, and Iranian (Shi'a) unity could affect the U.S.S.R.'s Azeri-Shi'a population. The Soviet Union therefore has consistently in this century sought to weaken Iran, opposing virtually any substantive (not merely military) relationship with the West. Only after attempts at intimidation failed did Stalin's successors learn to live with the Shah. However, their definition of "good neighborliness" has always been tightly related to the existing power realities. As Iran has lurched into crisis the proposition has surfaced anew that equidistance (i.e., nonalignment) is unacceptable and equating the superpowers, unfriendly.

Iran remains the single most important and vulnerable Soviet neighbor where the opportunities for gains are high and the risks limited. Contiguous to the U.S.S.R., Afghanistan, the Persian Gulf and Indian Ocean, Iran, as the largest state, is the logical point for entry into Gulf politics. Isolated, militarily weak and protected by no foreign patron or constituency, Iran is vulnerable to Soviet military power on two borders. The northern parts of the country, traditionally centers of pro-Soviet sentiment, cannot have shed their inclination in the period since 1979, which has seen an increase in disaffection from the central government. Whether by reference to the need to quarantine the Islamic contagion or to the more traditional formula of stabilized borders, the U.S.S.R. does not lack legal or historic rationalizations for its "legitimate" interest in Iran.[38] As the need to consolidate its position in Afghanistan grows, so will the importance of Iran to the Soviet Union.

From the advent of the Islamic Republic, Western governments have been extremely sensitive to the need to treat Teheran carefully lest, by cornering the regime, they drive it into the Soviet camp.

[37] The parallels with Turkey are striking. Soviet support for movements weakening it has been consistent. The Armenian Secret Liberation Army is a recent manifestation. Turkey's position has been stronger due to its secularism, and to Soviet inhibitions stemming both from its martial prowess and its NATO membership.

[38] For example the 1907 Condominium with Great Britain; or the de facto division of Iran into spheres of influence during World War II; or the disputed interpretation of the 1921 treaty.

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states with the problem of how to live with Iranian primacy in the Gulf. American assistance to these states can go hand in hand with the attempt to open a channel for dialogue with Iran. Over time a gradual return to the historic perception of a serious Soviet threat could incline this regime or its successor to the time-honored strategy of offsetting such a proximate Soviet threat with ties to a distant and friendly supporting power. For all its moral rectitude, the regime's recent actions show that it can be sensitive to criticisms of its human rights record, suggesting that it is not entirely resistant to some outside pressure, or to some change in its posture.

One clear and necessary course is to broaden, as much as possible, trade and other contacts between Western nations and Iran. Several European nations, and Japan as well, are now both increasing their trade with Iran and renewing their support of projects interrupted by the revolution. And, since the ending of the U.S. embargo imposed during the hostage crisis, there is a substantial American component in this trade, through third-country channels.

All of this should now be encouraged, if possible in close coordination between Washington and the other capitals involved—or at least with a full exchange of information. Such trade ties can help to further a posture of genuine equidistance by the Khomeini regime, and an increased presence of Western representatives within Iran should permit a progressively better understanding of developments there. Any early restoration of normal diplomatic relations between the United States and Iran is hardly in the cards, and there should be no effort to increase the small number of private Americans, including journalists, who are now able to visit the country or work there. But at the same time, both the American government and private groups should make greater efforts to communicate with the 30,000-plus Iranian students now in the United States, who may well constitute important links in future relations.

There is, of course, a difficult question concerning the degree and types of contact maintained by U.S. and Western representatives with various Iranian exile groups. The Khomeini regime is highly sensitive to such contacts, and any indication that they were being used to further opposition plans would be extremely damaging. Indeed, the United States and other Western nations must continue to adhere rigorously to a position of noninterference in Iranian internal affairs, and this posture should be reaffirmed constantly through whatever channels are effective to the Khomeini regime and perhaps also to Moscow, if only to allay the anxieties of the more imaginative planners in the Kremlin.

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be a settlement, a Western willingness to meet Iran's security needs would be constructive. At the same time, an indication of a Western interest—perhaps in the form of an aid consortium—in assisting in postwar reconstruction of Iran's infrastructure might be helpful.

IX

There is little realistic hope of a quick breakthrough in relations with Iran. But this is no cause for a total write-off either. The United States has lived with radical regimes before and these (like Algeria) have often shown a capacity, as they evolve, to distinguish between their rhetorical and practical needs. The task today is the management of relations, however attenuated, pending evolution within Iran.

Revolution, as in Iran, is not a trend in the region but instability most assuredly is. Containing it and defending the region starts in Iran. There will be no early end to Iran's instability and therefore some contacts must be maintained. There can be no Western solution in Iran, nor should any Eastern solutions be accepted.

Western governments need therefore to follow developments in Iran and to consider them on a continuous basis. They need to define carefully the conditions of Soviet activity which pass the threshold of acceptability and to improve their means of detecting them. Western governments should then make it clear to Moscow what they consider to be inappropriate behavior. A precondition for a general Western policy toward Iran is a sharper awareness that events in that country need constant scrutiny and that this should remain high on the agenda in East-West relations.

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ing value, but a lesser operational effect. At the point where principles are put into practice, technique and technology tend to dominate policy.

Like myths, the period of peril theory is a self-contained system of thought. If its basic assumption of technological determinism and its projections of Soviet capabilities are accepted, there is almost no way that it can be invalidated. The argument therefore has a powerful persuasive appeal. Its ramifications can be derived in a seemingly logical way. No knowledge of Soviet history or of the complex structure of Soviet political goals and motivations is required. The relevance of history and politics is, in fact, denied by the claim that Soviet international behavior is dominated by Soviet perceptions of the strategic balance. (Of course, the Soviets have their own simplifying myths to explain American behavior.)

There have been many critiques dealing with particular aspects of the window of vulnerability idea. They will not be repeated here. Rather, the approach will be to analyze the period of peril notion as a way of thinking, by comparing the window of vulnerability argument with three earlier major examples of the genre, the famous NSC-68 policy paper of 1950, and two influential statements in the Eisenhower period—the Killian Report of 1955 and the Gaither Report of 1957.

NSC-68 was prepared by a joint State and Defense Department committee in response to President Truman's request for a review of foreign and defense policies, in light of the communist takeover in China, the first Soviet nuclear test, and the prospective development of thermonuclear weapons. Its preparation reflected a mixture of motives: a belief that foreign and defense policies needed to be better integrated; discontent with existing defense policies and programs; a fear by some officials of a major Soviet aggressive move; and the belief by the Chairman of the Atomic Energy Commission (David E. Lilienthal) that the State and Defense Departments had not thought through the strategic implications of nuclear weapons.

The Killian Report of 1955 responded to President Eisenhower's request for a technical study of ways of avoiding a surprise attack upon the United States. The study grew out of Eisenhower's persistent concern that, with modern weapons, a closed society could gain a major advantage over an open society because of its ability to plan a surprise attack in secrecy. The report was prepared by an expert panel of the Science Advisory Committee of the Office of Defense Mobilization.

The Gaither Report, prepared by a similar panel in 1957, was a product of growing concern with civil defense. It began as a study of active and passive defenses against a nuclear attack, requested by the President in response to a proposal by the Federal Civil Defense Administration for a $40-billion civil defense shelter program. It evolved into a broader study of U.S. nuclear retaliatory forces.

The phrase "window of vulnerability" appears to have been coined by a Pentagon analyst about 1978. But the relevant ideas were brought to public notice by the reports of the Committee on the Present Danger, an organization which was created in 1976 by opponents of détente who were alarmed by the Soviet arms buildup and who sought to influence official thinking on arms issues. Several were also members of the officially sponsored "Team B" which in 1976 prepared a more pessimistic alternative to the annual CIA estimate of Soviet intentions and capabilities. The Committee's ideas have now been given a degree of official imprimatur by the endorsement of President Reagan and other top

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power and may be the source of Soviet statements that are perceived by some, but not all, American analysts as assertions of hegemonial aims.[3]

Obviously, the interpretation of Soviet behavior is an especially problematic enterprise. As already suggested, that is one of the reasons for the appeal of the period of peril concept. Accordingly, the purpose of this critique is not to offer a different dogma to replace the period of peril dogma, but rather to demonstrate the inadequacies of the latter and to suggest other, more plausible, explanations of Soviet behavior.

II

Let us look first at the picture of overall Soviet policy and the basic U.S.-Soviet relationship in the four examples.

Prepared in the wake of the increasing sense of Soviet threat in Europe, the unexpectedly early ending by the Soviets of the U.S. nuclear monopoly, and the communist takeover of China, NSC-68 reflected a feeling that we were on the brink of a great discontinuity in international politics. Linked to the Kremlin's imperial designs, the Soviet Union's acquisition of nuclear weapons and its prospective development of thermonuclear weapons were seen as placing the American democratic system "in greater jeopardy than ever before in our history."[4] It can be inferred from the text of NSC-68 and from the discussions that accompanied its promulgation that those who prepared it believed that military force had assumed a new role in Soviet thinking about international affairs. Thus, Paul Nitze, the document's principal author, argued that the Soviets now clearly saw the Red Army as a "precursor of revolution." Historical precedents had become unreliable guides in judging the prospects for war. Current Soviet actions, Nitze said, reflected a "mounting militancy" and a new boldness that "borders on recklessness."[5] The threat was also increasing because the Soviets were devoting both a larger proportion, and a greater absolute amount, of their resources to defense than was the West.

The United States was the principal obstacle to Soviet achievement of its goal of world domination, and, NSC-68 argued, "there [was] no justification in Soviet theory or practice for predicting that, should the Kremlin become convinced that it could cause our downfall by one conclusive blow, it would not seek that solution."

The new discontinuity in international politics extended to the very structure of the international system. Even without the Soviet threat, "the absence of order among nations [was] becoming less and less tolerable." The existing international system was characterized as an "uneasy equilibrium-without-order." The Soviet acquisition of nuclear weapons would put new strains on this precarious system. The risks, therefore, were "of a new order of magnitude."

[3] Cf. the different interpretations of Soviet Foreign Minister Andrei Gromyko's statement that "Today, there is no question of significance which can be decided without the Soviet Union or in opposition to it" in Robert Legvold, "The Nature of Soviet Power," *Foreign Affairs*, October 1977, p. 66 ff., and Richard Pipes, *U.S.-Soviet Relations in an Era of Detente*, Boulder: Westview Press, 1981, pp. 176–177.

[4] NSC-68, "United States Objectives and Programs for National Security," *Foreign Relations of the United States, 1950*, Vol. I, Washington: GPO, 1977, pp. 262–263 (cited hereafter as *FRUS*).

[5] "Record of the Meeting of the State-Defense Policy Review Group," March 2, 1950, *FRUS, 1950*, Vol. I, p. 177; "Recent Soviet Moves," Study Prepared by the Director of the Policy Planning Staff (Paul Nitze), February 8, 1950, *ibid.*, p. 145; "Record of the Eighth Meeting (1950) of the Policy Planning Staff," February 2, 1950, *ibid.*, pp. 142–143.

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strategic balance.[8]

The Committee and the Administration also argue that the Soviet Union's commitment of a larger percentage of its GNP to defense, together with steady annual increases in absolute Soviet defense expenditures and U.S. underinvestment in defense equipment and installations in the 1960s and 1970s, have opened a wide spending gap between the Russians and ourselves.

The Committee asserts that the Soviets see nuclear war as winnable and that they plan for fighting and winning such a war. However, Moscow's primary goal, in the Committee's view, is a "visible preponderance of power" in order to achieve political dominance without war. As in 1950, the period of peril is seen as a time in which the Soviets will be confident, bold and venturesome. The Brezhnev regime, in the Committee's view, undertook "programs of expansion far beyond Stalin's dreams" and "sponsored wars of far greater magnitude." The Committee and the Reagan Administration argue that Soviet adventurism is being stimulated by a belief that there has been an irreversible shift in the correlation of forces in the Soviets' favor.[9]

These arguments are simplistic at best. The view of the Soviet threat presented in NSC-68 and the "window" argument emphasizes broad, general determinants of Soviet behavior over more specific determinants. It seeks to explain Soviet behavior on the basis of a combination of broad principles—such as a Soviet goal of world domination or the Soviet view of the correlation of forces—and Soviet advances in military technology, with the effective emphasis upon the latter. But as George Kennan argued in commenting on the North Korean attack on South Korea, Soviet behavior is influenced primarily by narrower goals and by the specific costs and benefits of action in particular situations.

Moreover, while the Soviets certainly seek to make gains at U.S. expense, it is now widely agreed that Soviet policy is more reactive than we have often assumed.[10] Soviet action in Afghanistan was brutal and indefensible, but the U.S. understanding of that action did not take adequate account of its reactive character or of such particular characteristics of the Afghan situation as historical Russian involvement in the politics of Afghanistan, proximity, religio-ethnic relationships and the Soviet commitment to preserve what Moscow viewed as a socialist revolution. Instead, as in Korea, the United States assumed that Soviet action was a prelude to a broader Soviet offensive.[11] (The Soviets, of course, may also have miscalculated our reaction.)

To equate the Soviet concept of "correlation of forces" with measurements of the strategic balance is to engage in reductionism. That Soviet concept embraces the whole gamut of the military and nonmilitary aspects of power, including, for example, the revolutionary potential in target societies. Moreover, the Soviets have been claiming regularly since their revolution that the correlation of forces is changing in their favor. The argument is also reductive in its tendency to translate the strategic balance into an exercise in "bean counting."

[8] The Committee on the Present Danger, *Has America Become Number Two?*, Washington, D.C., June 29, 1982, pp. 1–2; *Is America Becoming Number 2?*, October 5, 1978, p. 1. My discussion of the Committee's views relies primarily upon these two major statements.

[9] U.S. Department of Defense, *Soviet Military Power*, Washington, D.C.: GPO, 1981, p. 86; Joint Chiefs of Staff Posture Statement in *Department of Defense Authorization for Appropriations for FY 1983*, Hearings before the Armed Services Committee, U.S. Senate, 97th Cong., 2d sess., Feb. 2 and Feb. 8, 1982, Washington, D.C.: GPO, 1982, Part I, p. 627.

[10] Cf. William Zimmerman, "What do Scholars Know about Soviet Foreign Policy?," *International Journal*, Spring 1982, pp. 212–214.

[11] Cf. George F. Kennan, *The Nuclear Delusion: Soviet-American Relations in the Atomic Age*, New York: Pantheon, 1982, pp. 161–165.

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of the United States and the U.S.S.R. which differentiated four time periods, three of which were actual or potential periods of peril.[14] In the first period, from 1955 to 1956 or 1957, the United States would have a superior strategic air force, the Strategic Air Command (SAC), but would be vulnerable to attack because of its lack of air defenses and reliable early warning. In addition, the U.S. policy of not initiating war gave the U.S.S.R. an incentive, if Soviet leaders decided to attack, to attempt to achieve surprise.

A second and more important period of danger, according to the Report, would begin in the late 1950s or early 1960s, when the Soviets were expected to have multimegaton weapons and high-performance intercontinental jet aircraft and when SAC would remain vulnerable. The period would end (at a date not specified) when the United States had developed adequate air defenses and strengthened its own delivery capabilities.

The final period defined by the Report was expected to begin perhaps in 1965 and to continue indefinitely. It would be a period characterized by what we would now call "mutual assured destruction." Unlike the theorists of mutual assured destruction of the 1960s and 1970s, but more like current alarmists, the Killian Committee viewed this situation as the most dangerous of all. It would be an unstable condition "fraught with danger." The Committee argued that the United States should seek to escape from this situation back to nuclear superiority, but it could identify no future technological development that offered the prospect of such escape.

The Killian Committee did not spell out the dangers of this final period, but it is possible to infer its concerns from the general argument of the Report. Though the Report focused upon the vulnerability of SAC, the Committee's underlying concern was the fear that the development by the Soviets of a thermonuclear capability would in Killian's words, create "a threat of terrible dimensions."[15] The Committee's view of this last period of peril was clearly an early reflection of the discomforts of mutual vulnerability in the thermonuclear age, of the desire to escape those discomforts, and of the fear that it would prove impossible to do so.

The Killian Report suggested that if, in these last two periods, the United States developed intercontinental missiles first, it would temporarily maintain its superiority; if the Soviets got them first, the Russians could achieve a comparable advantage. However, it was the Gaither Report of 1957 that concentrated on the effects of a combination of Soviet intercontinental missiles and continued SAC vulnerability. While that Report was in preparation, the Soviets tested an ICBM and launched Sputnik.

The Gaither Report followed the Killian model in outlining a four-phase calendar of vulnerability. The major period of peril, it predicted, would begin in 1959 or early 1960 when the U.S.S.R. was expected to possess a significant ICBM capability while the United States would not. SAC forces would be somewhat more dispersed, but not hardened against attack, and would be completely vulnerable to a Soviet ICBM strike. A Soviet disarming attack against SAC could be followed by a "decisive" attack on the United States by manned bombers. The period would end in 1961–62, according to the Report, if the United States took appropriate measures to reduce the vulnerability of its retaliatory forces. If

[14] *The Report to the President by the Technological Capabilities Panel of the Science Advisory Committee*, February 14, 1955, Vol. I, pp. 10–13, available in *Declassified Documents Reference System*, Woodbridge (Conn.): Research Publications, Vol. 1976, Fiche 965a.

[15] James R. Killian, Jr., *Sputnik, Scientists and Eisenhower*, Cambridge: MIT Press, 1977, p. 71.

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both sides to a first strike in other, less critical, time periods. Soviet planners must assume, however, that the United States could strike first. That assumption is currently reinforced by U.S. movement toward a first-strike capability against Soviet ICBMs.

NSC-68 took a very simple view of the threat: because the Soviets supposedly had the capability to attack, there was a strong likelihood that they would attack. Beginning with the Killian Report, analysis was based upon a somewhat more sophisticated view that appeared to be concerned with the requirements for stable deterrence. However, the ultimate focus continued to rest less on America's ability to deter the Soviets through her capability for attacking the U.S.S.R. than upon U.S. vulnerabilities to a Soviet attack. That emphasis persists in the argument for a window of vulnerability. Its scenario for a nuclear crisis seems designed to demonstrate the irrelevance, as a deterrent, of the 75 percent of the U.S. nuclear warhead arsenal that would survive even a completely successful Soviet attack on our land-based missiles.

One difficulty with the reports of the 1950s, of course, was that they overestimated Soviet capabilities. NSC-68's predictions about the size of Soviet nuclear stockpiles were "guesstimates" and the study said nothing specific about how the Soviets would deliver those weapons against American targets. In fact, the only long-range bomber available to the Soviets at the time or in 1954 was the propeller-driven Tu-4 Bull which lacked the necessary range or in-flight refueling capability for round-trip missions from the U.S.S.R. The projections of long-range bomber capabilities underlying the Killian Report and of intercontinental missiles underlying the Gaither Report proved to be substantial overestimates. Since the Gaither Committee acknowledged that the Soviets were not giving priority to the production of long-range bombers or to in-flight refueling, the credibility of its scenario for a bomber threat to American cities rested upon an assumed Soviet willingness to rely upon one-way missions.

The relative inattention of NSC-68 and the Gaither Report to the limitations of Soviet bomber capabilities illustrates another consequence of the tendency to focus narrowly on U.S. vulnerabilities: little specific attention was devoted to problems confronting the U.S.S.R. in attacking the United States. The current window of vulnerability scenario illustrates this tendency in another way. It overlooks the tremendous problems of coordination involved in mounting a complex attack against U.S. ICBMs. In such a strike all Soviet warheads would have to reach U.S. targets within minutes of each other if massive launchings and initial detonations were not to provide unmistakable warning. An assumption that such coordination would be possible reflects a faith in technology and organization which may be consistent with our technocratic bias, but which is most unlikely to be shared by the Soviets, who are attentive to the human and operational problems of modern warfare.

Our intelligence on Soviet capabilities has improved markedly since the 1950s. Nonetheless, the qualitative characteristics of Russian forces continue to be more difficult to assess than quantitative characteristics. There are, for example, serious questions as to Soviet missile accuracy in a combat situation and as to the reliability of Soviet missile forces. While few question the validity of current estimates of Soviet missile accuracy in tests, only about 12 technical analysts are said to fully understand the bases of those estimates. It is on the analyses of that handful of experts that the estimates—and the arguments based upon those estimates—ultimately rest.[16]

[16] R. Jeffrey Smith, "An Upheaval in U.S. Strategic Thought," *Science*, April 1982, pp. 30–31.

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It goes without saying that we must be concerned with threats to the stability of deterrence. But the timetables of future dangers embodied in these studies reflect a false precision which translates into undue alarmism. There is an assumption that international politics is balanced upon a knife edge and that Soviet acquisition of a new capability (often one we already possess) will create a major discontinuity in Soviet behavior and in the cold war.

IV

In all of the studies which have forecast a period of peril, the idea that the Soviets are likely to translate their supposed strategic advantage into military action or severe political pressures is based upon a very simple assumption: that it has been primarily U.S. strategic superiority that has deterred the Soviets from such action in the past. Once again, this argument assumes that Soviet intentions can be derived directly from Soviet capabilities.

All the studies have attached a fairly high degree of probability to the possibility that the Soviets might launch a surprise nuclear attack. While acknowledging traditional Russian caution, NSC-68 argued that possession of nuclear weapons by both sides in a bipolar world placed a "premium" on a Soviet surprise attack. It did not predict such an attack, but it argued that, if the Soviets believed an attack could achieve a decisive military advantage, "the Kremlin would be tempted to strike swiftly and with stealth." If the Soviets were the first to acquire thermonuclear weapons, the risk of such an attack would be "greatly increased." The Truman Administration's valedictory review in late 1952 of national security policies and programs (NSC-141) reaffirmed such judgments, arguing that, under existing defense programs, the threat of a direct attack would reach "critical proportions" by 1954 or 1955.[21]

The Killian Report argued that nuclear weapons, by making a surprise attack potentially decisive, gave it a new importance. The U.S. policy of not initiating nuclear war also emphasized the importance to an enemy of surprise. The Report's timetable suggested that, during the initial period of U.S. vulnerability, the Soviets "might be tempted to try a surprise attack."

The Gaither Report's threat scenario for the period of peril was based upon the possibility that the Soviets could mount a disarming attack against SAC bases with its ICBMs. Our cities would then be at the mercy of Soviet bombers and, in the words of a Committee member, the Russians "could write the peace terms at their leisure."[22]

The Committee on the Present Danger, while avoiding a direct prediction of a surprise attack, suggests that modern military technology "bring[s] within the sphere of plausible calculation the idea of settling the military outcome of a great intercontinental war by a few powerful but integrated strokes." The Committee notes that Soviet military doctrine emphasizes the importance of surprise as a means of enhancing the prospects for victory and implies that the Russians contemplate an out-of-the-blue attack by suggesting that the Soviets see surprise as important to "destroying the forces of imminent victims of aggression before they can be used."

[21] NSC-141, p. 70, available in *Declassified Documents Quarterly Catalog*, Woodbridge (Conn.): Research Publications, 1977, Vol. 3, Fiche 44b.

[22] Testimony of James P. Baxter III, Hearings, Subcommittee on National Policy Machinery, *op. cit.*, p. 80.

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on which other use of force pivots" and that, with strategic "superiority," the Soviets will "almost certainly" be more willing to use force at lower levels, believing that the United States will be deterred from responding by the threat of escalation. Similarly, the Administration has argued that it would be "naïve" to assume that, when the Soviets achieve nuclear superiority, they will not exploit that superiority, and suggests that such superiority will provide an umbrella under which the Russians can deter the United States from responding to their actions.[25]

Eugene Rostow, co-founder of the Committee, said in his recent role as Director of the Arms Control and Disarmament Agency that the Soviet purpose in possessing nuclear weapons "is to serve as the ultimate engine of the process of nuclear blackmail—a process of expansion involving the use of the credible threat to use propaganda, terrorism, proxy war, subversion, or Soviet troops themselves under the sanction and protection of what they hope will be Soviet nuclear superiority."[26]

The Committee notes that the United States was unable, even when it possessed a nuclear monopoly or clear superiority, to deter Soviet political pressures or the use of force in such places as Eastern Europe, Greece, Iran, Korea and Cuba. Thus, it argues, such problems will become more severe as the relative position of the United States declines.

These various claims about possible Soviet exploitation of its nuclear capabilities are open to a number of objections. Soviet military doctrine does emphasize the importance of surprise, but only in cases where the Soviets are under clear threat of nuclear attack. The danger is not of an out-of-the-blue attack designed to achieve some supposedly decisive result, but rather of Soviet preemptive attack in a crisis situation where the U.S.S.R. feels directly threatened.

NSC-68 and the Killian and Gaither Reports reflected a general belief that the advent of nuclear weapons had so enhanced the value of a surprise attack to an aggressor that its likelihood had significantly increased. It was in this context that the Killian study saw the U.S. policy of not initiating nuclear war as an incentive to a Soviet attack. If it is assumed, however, that the Soviets will preempt only if they feel under imminent threat of an attack, such a U.S. policy should reduce the likelihood of a surprise attack.

The Committee on the Present Danger seems to be aware of Soviet doctrine, though some of its statements, like the one quoted above, reflect some, perhaps purposeful, ambiguity. Nonetheless, the Committee must take seriously the possibility of Soviet surprise attack under a wide range of circumstances in order to validate its statement of the general Soviet threat. The idea that the Soviets could pose a credible threat of nuclear attack is an essential basis for the Committee's claim that the fear of such an attack will affect U.S. responses to Soviet political pressures, nuclear blackmail and the use of conventional forces. In particular, the Committee must demonstrate how a *partial* Soviet counterforce capability could create such a threat, considering that only 25 percent of the U.S. retaliatory capability, measured in warheads, is invested in its land-based

[25] *U.S. Department of Defense Authorization for Appropriations for FY 1982*, Hearings before the Senate Committee on Armed Services, 97th Cong., 1st sess., Mar. 4, 1981, Washington: GPO, 1982, Part 1, p. 545; Senate Armed Services Committee Hearings for FY 1983, *op. cit.*, p. 98.

[26] *Overview of Nuclear Arms Control and Defense Strategy in NATO*, Joint Hearings before the Subcommittees on International Security and Scientific Affairs and on Europe and the Middle East of the House Committee on Foreign Affairs, 97th Cong., 2nd sess., Feb. 23, 1982, Washington: GPO, 1982, p. 11.

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area of influence and control, but recent Soviet actions in such countries as Angola, South Yemen and Ethiopia are more likely low-risk exploitations of internal and international turbulence than reflections of a new adventurism based upon a changed assessment of the strategic balance.[31] If Soviet military capabilities have influenced Soviet behavior in such situations, it has been their increased capacity for the projection of conventional force that has been the more relevant factor.

If one accepts the assumptions of the Committee on the Present Danger, it is also impossible to disprove the claim that, because the Soviets were not deterred from various military adventures in the past when the United States had nuclear superiority, they are even less likely to be deterred in the future. But a more plausible conclusion from such evidence would be that the U.S.-Soviet strategic balance has little relevance to the explanation of such Soviet behavior.

In his reaction to NSC-68, Kennan also rejected the idea that the Soviets would use their nuclear capabilities to pressure countries to "sign on the dotted line or else." He characterized it as, thus far, a notion "of our own manufacture."[32] In the late 1950s, Khrushchev did indeed utter threats that partook of nuclear blackmail, against the United States but also Britain. In particular, he attempted to exploit the supposed missile gap for political advantage. His efforts seem more a reflection of weakness than of strength, since the period was actually one of overall U.S. strategic superiority. He sought, through bluff, to pursue an ambitious foreign policy by capitalizing on the psychological effects of Sputnik.

In the period since the Cuban missile crisis of 1962, during which Soviet strategic power has indeed been growing, there has been a virtual abandonment of nuclear blackmail. This is not to argue that the Soviets might not seek to employ nuclear blackmail in the future—though it is very difficult to make such threats credible—but rather that there is no clear relationship between such activity and the strategic balance. In sum, Soviet behavior is most likely to continue to be determined by particular stakes and potential costs rather than by the Soviet perception of the balance of nuclear weaponry.

V

How are we to understand the appeal to policymakers and others of the period of peril idea—an idea that has such weak conceptual and factual underpinnings; that exaggerates the instability of the strategic balance; that introduces a misleading sense of precision into calculations; and that offers a reductionist view of the sources of the Soviet threat? One way to approach an answer is to consider three functions of the period of peril idea: as a rationale for an arms buildup; as a system of explanation designed to deal with anxieties about the Soviet threat and the nuclear danger; and as a reaction to vulnerability.

As a Rationale for an Arms Buildup. With the apparent exception of the Killian Committee, each of the groups that developed the period of peril concept confronted what it considered to be a complacent Administration which it felt needed to be stirred out of its lethargy. Talk of "imminent threats" to the survival of the United States was more likely to get the attention of policymakers

[31] Mark N. Katz, *The Third World in Soviet Military Thought*, Baltimore: Johns Hopkins University Press, 1982, pp. 97–98, 124–126, 138–141; Marshall D. Shulman, "U.S.-Soviet Relations and the Control of Nuclear Weapons," in Blechman, *op. cit.*, footnote 17, pp. 81–82.

[32] Draft Memorandum by the Counselor (George Kennan) to the Secretary of State, February 17, 1950, *FRUS, 1950*, Vol. I, p. 161.

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amenable to solution with the instruments available to us. The period of peril notion is almost impervious to the test of evidence except perhaps on the question of Soviet military capabilities. But important qualitative characteristics of Soviet weapons can be difficult to estimate. And, in the assessment of weapons characteristics and their implications, the public and the policymakers are often at the mercy of "experts" whose predictions of future dangers are widely thought to be more "responsible" or "realistic" than the views of those who attempt to keep the threat in perspective.

In a curious way, pessimistic predictions of this kind may be almost as reassuring—and possibly even more reassuring—than optimistic predictions. By suggesting the need for action, they respond to the culturally rooted American compulsions toward activism and toward believing that all problems have solutions. It is reassuring to think that by "doing something" we can eliminate the threats to our survival posed by the existence of nuclear weapons.

There is, however, a flaw in this reassurance—a nagging doubt. That doubt was first reflected in the description of the final period of the Killian timetable where, as noted, it was suggested that the United States would ultimately enter a period of danger from which there might be no exit—a period of vulnerability for U.S. retaliatory forces for which the Committee could foresee no technological fix. Proponents of the window of vulnerability concept may soon find themselves in just such a situation, since it is by no means clear that there is a plausible technical solution to the problem of ICBM vulnerability. As the Reagan Administration has come to grips with the problem, it has summarily moved the beginning point for the window of vulnerability from the present to the mid-1980s.[35] It has also tended to shift the rationale for the MX to emphasize its counterforce role over its survivability.

The period of peril myth, by reenforcing the assumptions of the cold war, may be reassuring in other respects. It simplifies a complex and confusing international environment by focusing upon its bipolar dimension and upon the issues of survival. It provides a conceptual basis for heroic rhetoric and it promises to simplify the increasingly complex domestic politics of U.S. foreign policymaking by offering a simple, unifying theme.

The myth also provides a way of dealing with three interrelated paradoxes of the nuclear age. The first is that, because of the destructiveness of nuclear weapons, a nuclear war seems implausible, but at the same time many Americans believe that nuclear war is very likely or fairly likely in the foreseeable future. The period of peril argument says, "Yes, there is a real danger, but it is a danger that can be avoided if we take the right actions." Our fears are engaged, then laid to rest.

The second paradox is that the nuclear powers command unprecedented destructive power, but they cannot use that power to make direct military or political gains. The period of peril argument suggests that the Soviets have found ways to translate their nuclear capabilities into power and influence in a wide range of situations. That being so, our own nuclear capabilities have enhanced significance as a deterrent because they then become relevant to the avoidance of a variety of nonnuclear threats.

[35] Cf. Senate Armed Services Committee Hearings for FY 1982, *op. cit.*, p. 11; and Caspar W. Weinberger, *Report to Congress on the FY 1983 Budget*, U.S. Department of Defense, February 8, 1982, p. 1–39. On this point the Administration therefore no longer agrees with the Committee on the Present Danger.

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Killian Report, with its general discussion of the dangers of a nuclear world and its tendency to define all future periods as periods of peril, reflects this general anxiety most graphically. The fear, present in all of these studies, that the Soviet Union is more willing to use nuclear weapons than the United States, is an important underlying source of that anxiety. Surprise attack becomes a kind of symbol of U.S. vulnerability, even when it is recognized that Soviet fear of retaliation will probably continue to deter such an attack. In the nuclear age we are perpetually vulnerable, but we are also always relatively secure because of the extraordinary costs and many uncertainties confronting an attacker and because of continuing changes in U.S. forces. Efforts to define precise periods of peril in which the danger is perceived as almost overwhelming distort reality.

VI

The foregoing critique is intended neither as an argument against taking Soviet threats to American security seriously nor as an argument against some increased spending for conventional forces. Certainly we must be concerned about the stability of deterrence (which is not, however, currently under serious threat) and about keeping the nuclear threshold as high as possible. The purpose of this analysis has been to suggest the serious defects of a particular way of thinking about the Soviet threat. The threat is, and has been, much more political than military. Yet we persist in believing, as Kennan has recently pointed out, that the military balance of power is ". . . the only significant factor determining the future of Soviet-American relations."[38]

It would be easy to dismiss the period of peril myth as "just a theory" designed to rationalize positions reached on other grounds. It is indeed likely that, in its origins, it involved elements of rationalization. Those who have been most alarmist about the Soviet threat are most likely to search for evidence in Soviet technological advances and defense budgets which will justify their sense of alarm and make it intelligible and tangible to others. Alternatively, the myth seems sometimes to have emerged, in part, out of efforts to rationalize the undertaking of particular defense programs desired for other reasons. But, like other myths that have their origins in some more concrete human need, the period of peril myth, once articulated, has taken on a life of its own with an independent influence on thinking and behavior.

Ideas do have consequences. No one who has regularly read Secretary Weinberger's statements can have much doubt that the window of vulnerability notion influences his sense of urgency. He has said about the current defense buildup, ". . . we are trying to recover enough strength in time, and nobody knows how much time we have."[39] The same sense of urgency does not, however, appear to inspire arms control efforts, which offer an alternative way of dealing with the perceived threat.

There is strong tendency to err on the side of caution—to base policy upon "worst case" analysis and to seek to ensure against all conceivable risks.[40] But "caution" of such a variety can lead to very incautious behavior. The studies

[38] Kennan, *op. cit.*, p. xxvi.

[39] *The Washington Post*, November 30, 1982, p. A18.

[40] Bernard Brodie said of this tendency to project imaginative scenarios prefaced by the words, "It is conceivable that. . .": "Such words establish their own truth, for the fact that someone has conceived of whatever proposition follows is enough to establish that it is conceivable. Whether it is worth a second thought, however, is another matter." Bernard Brodie, "The Development of Nuclear Strategy," *International Security*, Spring 1978, p. 83.

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RECENT BOOKS ON INTERNATIONAL RELATIONS

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PLURALISM ON AND OFF COURSE. By Stanislaw Ehrlich. New York: Pergamon Press, 1982, 254 pp. $40.00 (paper, $19.95).

The first half of this study by a Polish political philosopher is a not particularly arresting review of pluralism in the political theory of the West in the 19th and 20th centuries. The second and more interesting half takes up pluralism in relation to Marxism (he finds it inherent in Marx and practiced by Lenin), especially as it has appeared and developed in the Soviet Union and Eastern Europe since the heyday of Stalinism. Ehrlich uses the not typical but not irrelevant example of Poland to show how society, in a pattern of ups and downs, has created its own groups, associations and loyalties, which have transformed socialism without challenging its essence. Although open to criticism from several different angles, the book is coolly reasoned, draws on a rich literature, and deserves attention in both the East and the West.

NON ALIGNEMENT ET NOUVEL ORDRE MONDIAL. By Eugène Berg. Paris: Presses Universitaires de France, 1982, 181 pp. Fr. 68.

Because so much that is said about the nonaligned movement comes from unabashed supporters or cynical detractors, an assessment that is sympathetic but still realistic is much to be welcomed. By way of factual presentation the author tells us about the origins of the movement in the 1950s, the many conferences and declarations, and the negotiations at the United Nations and elsewhere. How to measure success is more difficult, as the declared aims have been so vast and so varied, and the new international order is a myth. But the author is right in pointing out that the movement has helped to give new and weak nations a stronger voice in the existing order.

INTELLIGENCE REQUIREMENTS FOR THE 1980's: CLANDESTINE COLLECTION. Edited by Roy Godson. New York and Washington: National Strategy Information Center, 1982, 231 pp. (New Brunswick, N.J.: Transaction Books, distributor, $8.50).

A group of hardy professionals discusses a subject just now coming partially into the public domain. They naturally concentrate heavily on intelligence from "denied areas" such as the U.S.S.R., but under the impact of Iran they note the need for greatly increased attention to the politics and societies of the Third

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The coming months are certain to bring to a head the critical debate over NATO's decision to deploy new intermediate nuclear forces in Europe. This comprehensive study, by experts and officials drawn together by the Arms Control Association at the request of NATO, provides an excellent and useful survey of the myriad political and military issues.

A POLICY FOR PEACE. By Field Marshal Lord Carver. London: Faber and Faber, 1982, 128 pp. (New York: Harper, distributor, $9.95; paper, $4.95).

Lord Carver, former Chief of the Defence Staff in the U.K., has written a brief, thoughtful, and probing essay on the nuclear dilemma. He is unafraid, by his own admission, of being out of step with Whitehall orthodoxy. Thus Carver advises against Britain's purchase of Trident missiles and favors a reduction in NATO's dependence upon nuclear weapons.

NUCLEAR NEGOTIATIONS: REASSESSING ARMS CONTROL GOALS IN U.S.-SOVIET RELATIONS. Edited by Alan F. Neidle. Austin (Tex.): Lyndon B. Johnson School of Public Affairs, 1982, 166 pp.

These proceedings of a conference in February 1982 at the Lyndon B. Johnson School of Public Affairs are far better than average. A dozen highly knowledgeable speakers returned to basics in discussing, in a sophisticated manner, various aspects of the role of nuclear weapons in world politics.

U.S. DEFENSE PLANNING: A CRITIQUE. By John M. Collins. Boulder (Colo.): Westview Press, 1983, 337 pp. $30.00 (paper, $11.95).

Written by a highly respected specialist of the Congressional Research Service at the request of five members of Congress, some of whom are active in the military reform caucus, this review of how defense policy is made is disappointing. The work is too formal in its examination of bureaucratic structures, paying insufficient attention to the role of more informal, more political processes.

TOWARD A CONSENSUS ON MILITARY SERVICE. Edited by Andrew J. Goodpaster, Lloyd H. Elliott and J. Allan Hovey, Jr. Elmsford (N.Y.): Pergamon Press, 1982, 322 pp. $32.50 (paper, $13.95).

This report of the Atlantic Council Working Group on Military Service concludes that President Reagan should prepare the country for the probable resumption of the draft during the 1980s. Particularly valuable are the supporting studies by experts, which are detailed and contain a number of specific policy prescriptions.

MILITARIZATION AND ARMS PRODUCTION. Edited by Helena Tuomi and Raimo Vayrynen. New York: St. Martin's, 1983, 310 pp. $30.00.

A collection of essays which share a common assumption: that military expenditures and arms imports by the less developed countries retard rather than help the development process. Emile Benoit's assertion that they assist economic growth is convincingly refuted. The concurrent view, that the arms suppliers export weapons because of their own overcapacity, remains more debatable. A valuable contribution to a debate which could benefit from being expanded to a wider audience.

ARMS FOR AFRICA: MILITARY ASSISTANCE AND FOREIGN POLICY IN THE DEVELOPING WORLD. Edited by Bruce E. Arlinghaus. Lexington (Mass.): Lexington Books, 1983, 232 pp. $26.95.

This book adds to our knowledge of a much neglected subject at a time when

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financial policy: the proposal in the 1960s to create SDRs instead of relying on the dollar as the sole reserve currency; the 1971 closing of the gold window; and the subsequent move to floating exchange rates. Second, Professor Odell analyzes each of these decisions by positing a number of possible explanatory factors. The crucial ingredients differ in each case, but it turns out that in this field two major factors are the pressures of the international economy and the ideas and perceptions of highly placed American officials about the kind of international monetary system that makes sense. While not the last word on any of these subjects, this well-written book should become necessary reading.

INDUSTRY IN TROUBLE: THE FEDERAL GOVERNMENT AND THE NEW ENGLAND FISHERIES. By Margaret E. Dewar. Philadelphia: Temple University Press, 1983, 252 pp.

Like most good studies of an industry, this is a fascinating tale of the interplay of people, technology, economics and politics. But it is much more. By casting her study as an examination of industrial policy, Professor Dewar has made it highly relevant to a range of questions that will bother Americans for some time to come. It is largely the story of measure after measure that was intended to help the New England fishing industry but did not. A great part of the contribution of this excellent book is the explanation of these failures, which should instill caution in those who prescribe for other industries in trouble.

U.S. FOREIGN ECONOMIC STRATEGY FOR THE EIGHTIES. By Timothy W. Stanley, Ronald L. Danielian and Samuel M. Rosenblatt. Boulder (Colo.): Westview Press, 1983, 206 pp. $18.50 (paper).

Following a good survey of the troubles of the 1970s, this study—sponsored by the International Economic Policy Association—makes a long series of recommendations for U.S. policy. Soundly stressing the interrelation of domestic and foreign measures and the increased impact of the international economy on the United States, the authors combine many of the specifics that are found on most businessmen's lists (some of them quite controversial) with a number of broader measures that would bring significant changes in the way the American economy is conducted.

INDUSTRIAL GROWTH, TRADE, AND DYNAMIC PATTERNS IN THE JAPANESE ECONOMY. By Miyohei Shinohara. Tokyo: University of Tokyo Press, 1982, 243 pp. (New York: Columbia University Press, distributor, $17.50).

These papers by an independent-minded economist with forthright views make a valuable contribution to the understanding of Japanese industrial policy, Pacific trade patterns, and the structural changes that connect them.

RESOURCE MANAGEMENT AND THE OCEANS. By Kurt Michael Shusterich. Boulder (Colo.): Westview Press, 1982, 344 pp. $22.50.
THE MANAGEMENT OF PACIFIC MARINE RESOURCES. By John P. Craven. Boulder (Colo.): Westview Press, 1983, 105 pp. $12.95.

Shusterich, of Woods Hole, provides a wealth of material on the seabed mining industry and its physical, economic and political problems. Craven, of Hawaii, considers, in addition, fishing, energy, transportation and research. Neither can be altogether up to date on the Law of the Sea treaty developments, but both explore a range of possible international approaches to "the common heritage of mankind."

GLOBAL FISSION: THE BATTLE OVER NUCLEAR POWER. By Jim Falk.

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In the guise of advice that the poor nations should be giving to the rich ones, these Rajaji Lectures give us Professor/Ambassador Galbraith's explanation about the complexity of development, a fresh view of Soviet-American confrontation in the developing world, some advice to developing countries about checking their arms races, and some familiar opinions about checking inflation.

The United States

Gaddis Smith

THE YEARS OF LYNDON JOHNSON. VOL. I: THE PATH TO POWER. By Robert A. Caro. New York: Knopf, 1982, 882 pp. $19.95.

This is political biography on a grand scale. It begins with Lyndon Johnson's family background, describes the Texas hill country of his youth, and carries down to his defeat in his first race for the Senate in 1941. Two more volumes are promised. Caro separates myth from reality in this portrait of a young politician filled with energy and cunning, unscrupulous and domineering, already a master manipulator, planning and acting every minute of the day.

THE AMERICAN STYLE OF FOREIGN POLICY. By Robert Dallek. New York: Knopf, 1983, 297 pp. $16.95.

A stimulating extended essay on the American propensity in this century to shape foreign policy in terms of domestic issues, moods, fears, and assumptions. Although the argument is a bit strained, Dallek does demonstrate the power of often irrational internal forces over external reality.

OPEN SKIES: EISENHOWER'S PROPOSAL OF JULY 22, 1953. By W. W. Rostow. Austin: University of Texas Press, 1983, 224 pp. $25.00 (paper, $10.95).

All of the author's historical case studies, of which this is the fourth, combine the insights derived from his personal participation with archival research and interviews. All are of lasting relevance. Today, when arms control negotiations are again in the forefront, the present excellent volume is particularly welcome. It focuses on the struggle between Secretary of State Dulles and presidential assistant Nelson Rockefeller over the proposal that the United States and the Soviet Union agree to unfettered reciprocal aerial inspection of each other's territory. Half of the volume is narrative and analysis; the other half is the text of documents, many not before published.

THE HIDDEN-HAND PRESIDENCY: EISENHOWER AS LEADER. By Fred I. Greenstein. New York: Basic Books, 1982, 286 pp. $16.95.

The author, a pacesetter in the fashionable movement to reassess the Eisenhower presidency in a favorable light, sees his subject as shrewd, confident and self-aware. Although there is a long illustrative chapter on Eisenhower's calculated use of the "hidden hand" in bringing down Joseph McCarthy, the book deals primarily with method and style at the expense of substance.

CONGRESS AND THE FALL OF SOUTH VIETNAM AND CAMBODIA. By P. Edward Haley. East Brunswick (N.J.): Fairleigh Dickinson University Press, 1982, 227 pp. $28.50

The author of this sharply focused case study makes an analytically valuable distinction between two presidential approaches to Congress in the realm of foreign affairs. One is to seek informed support, as, for example, with the Marshall Plan. The other is "the politics of acquiescence," in which congressional silence, the absence of expressed opposition, is assumed to mean consent. The fall of Cambodia and South Vietnam was the disastrous climax of the second

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explosive focal point at the outset of the cold war. The author, a lawyer and colonel in the U.S. Army, directed the Anglo-American trusteeship in the area in 1945–1947. His memoir is graceful and polished, a blend of history and recollection which stresses human conditions rather than high politics.

THE FALL OF THE FIRST BRITISH EMPIRE: ORIGINS OF THE WAR OF AMERICAN INDEPENDENCE. By Robert W. Tucker and David C. Hendrickson. Baltimore: Johns Hopkins, 1982, 450 pp.

Conventional historical wisdom holds that Great Britain lost the American colonies because of a blundering insistence on imposing new controls in place of the easy-going status quo which had prevailed before the imperial victory over France in 1763. Robert Tucker, a distinguished scholar of current foreign policy, and his younger colleague challenge this wisdom in this skillful excursion into the 18th century. They argue that the requirements of imperial defense, as rationally perceived in London, were incompatible with the rising colonial insistence on forms of autonomy which differed little from independence.

The Western Hemisphere

Robert D. Crassweller

CANADA AND THE REAGAN CHALLENGE. By Stephen Clarkson. Toronto: James Lorimer, 1983, 383 pp. (Hillside, N.J.: Enslow, distributor, $19.95).

The main virtue of this book is to make readers think about the long-run meaning of the recent conflicts between Canadian and American policies. Professor Clarkson of Toronto gives an account that is comprehensive, tendentious and spiced with a few leaked documents. His understandable reaction against some of the statements made by private and public Americans about Canadian measures—notably the New Energy Policy and the Foreign Investment Review Agency—leads him to exaggerate the significance of some of these statements and to extrapolate from specific measures and attitudes to general, durable policies. He calls for his country to develop a comprehensive American strategy that would require big changes in the way Canada conducts itself, the conversion of many Canadians to views they have long disagreed with, and far more blending of ideas about national, provincial and private interests than seems natural.

W.D.

U.S. INFLUENCE IN LATIN AMERICA IN THE 1980s. Edited by Robert Wesson. New York: Praeger/Stanford: Hoover, 1982, 242 pp. $23.95.

Going behind the usual easy references to U.S. influence, the authors seek to analyze the concept itself, with emphasis on Chile, Argentina, Brazil, Venezuela, Colombia, Central America, Cuba and Mexico. One conclusion: despite many negative elements, "the influence of the U.S. . . . especially its diffuse influence, economic and cultural more than political, remains very great." This is particularly true of the larger issues.

ECONOMIC ISSUES AND POLITICAL CONFLICT: U.S.-LATIN AMERICAN RELATIONS. Edited by Jorge I. Domínguez. Woburn (Mass.): Butterworths, 1982, 246 pp. $45.95.

The authors of these six essays believe that the politics of economic relations have attained their current prominence as a result of a shift away from the politics of the cold war and counterinsurgency. The foreign economic policies

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Lehrman Institute Book.

Writing about the crisis in the Alliance has become a cottage industry, but the essays in this volume, especially those by A. W. DePorte and Pierre Hassner, are of uncommonly high caliber. The diagnoses and prognoses differ, but some common themes are inescapable, including the view that German-U.S. relations are uniquely important and are subtly changing. Hassner writes: "The sense of identity of the two Germanies and their subjective relationship to each other, to the East and to the West, to the U.S.S.R. and to the United States, are undergoing profound changes that interact, in turn, with the changes in the United States' perception of itself and its role in the world." The book, apparently completed in the spring of 1982, remains timely and central.

CONSERVATIVE POLITICS IN WESTERN EUROPE. Edited by Zig Layton-Henry. New York: St. Martin's, 1982, 352 pp. $25.00.

In the aftermath of World War II, few observers would have predicted that conservatism in Europe would remain a major political force and fewer still would have thought it credible that the 1980s would witness a rehabilitation of conservative ideology and a recovery of conservative politics, as witness Reagan, Thatcher and Kohl, and electoral successes of the Right in some of the smaller countries. This collection of essays, uneven and somewhat outdated, written mostly by European political scientists, presents a useful country-by-country introduction to present-day conservatism. Much has changed since the day in 1918 when a leading Catholic politician in the Netherlands declared that people would rather be accused of arson or theft than of conservatism.

STITCHES IN TIME: THE COMMONWEALTH IN WORLD POLITICS. By Arnold Smith with Clyde Sanger. New York: Beaufort Books, 1983, 322 pp. (New York: Kampmann, distributor, $24.95).

This is the story of the almost haphazard creation of a Commonwealth Secretariat in 1964–1965 designed to facilitate all manner of cooperation. Britain was lukewarm about such an organization which, it was feared, could encroach on Britain's projected informal role. Smith, the first secretary-general, a long-time Canadian diplomat and friend of Lester Pearson, records his ten-year impressions and activities, concentrating on such crises as Ian Smith (Rhodesia), South Africa, and Idi Amin. An absorbing account, in which the role of the organization is not minimized, and in which the interests of the various members become clear. While he is pro-British at heart, Smith does not overlook London's jealous attention to his activities, including the likely bugging of his telephone.

FOE INTO FRIEND. By Marion Dönhoff. New York: St. Martin's, 1982, 214 pp. $18.50.

The great liberal editor of *Die Zeit* and proponent of *Ostpolitik* has written a brief account of the history of the Federal Republic of Germany, with an excellent introductory chapter on the German question, but focusing mainly on the four postwar chancellors. Her sympathies are with Brandt and Schmidt, but she is unfailingly perceptive about Adenauer and Erhard as well. The concentration on chancellors has its historic justification: they shaped policy, and never before in the history of any German state has there been such a profusion of political talent as in the period from Adenauer to Schmidt.

MACHTWECHSEL: DIE ÄRA BRANDT-SCHEEL. By Arnulf Baring. Stuttgart: Verlags-Anstalt, 1982, 832 pp. DM. 42.

In 1976 Walter Scheel, then Federal President, invited a well-known German historian to study the first phase of the social-liberal coalition, headed by Brandt

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MANAGING U.S.-SOVIET RIVALRY: PROBLEMS OF CRISIS PREVENTION. By Alexander L. George. Boulder (Colo.): Westview Press, 1983, 415 pp. $30.00 (paper, $11.75).

What went wrong with détente is examined in the key area of "crisis prevention" (as distinct from "crisis management") by Alexander George with contributions by a number of well-qualified colleagues. In general, the book represents a searching inquiry into the problem of preventing and containing superpower conflict in the Third World. In particular, it presents well-tempered accounts of specific cases such as the Middle East, Angola, the Horn, and Cuba. George himself and G. W. Breslauer are especially good in discussing the balance between competition and cooperation, the choices facing the two powers, and the frequently cited but infrequently defined "rules of the game."

TRACKS OF THE BEAR: SOVIET IMPRINTS IN THE SEVENTIES. By Edgar O'Ballance. Novato (Cal.): Presidio Press, 1982, 240 pp. $14.95.

Edgar O'Ballance has written an impressive number of specialized books, some of them excellent, on the small and middle-sized wars which have punctuated the years since World War II. In this larger effort, a study of Soviet grand strategy in the 1970s and of the "imprint" made on a host of countries around the globe, as well as on the military balance and on international negotiations, he is less successful. His general argument—that the Soviets made extraordinary gains in their pursuit of global hegemony, aided by the West's inexcusable weakness and appeasement—has some foundation in fact; but the book merely brings together already familiar facts and at times is careless with them or overstates their meaning.

SOVIET FOREIGN POLICY AND EAST-WEST RELATIONS. Edited by Roger E. Kanet. Elmsford (N.Y.): Pergamon Press, 1982, 197 pp. $25.00

The title is a catch-all for a group of papers delivered at the World Congress for Soviet and East European Studies hel l in 1980. In most of them the authors write along lines similar to what they have written elsewhere (e.g., George Kennan on the nuclear peril, Gerhard Wettig on strategic problems in Europe, Heinz Timmermann on Eurocommunism), but the general quality is high and the book gains by the wide international diversity of its authors.

THE "SCIENTIFIC-TECHNOLOGICAL REVOLUTION" AND SOVIET FOREIGN POLICY. By Erik F. Hoffmann and Robbin F. Laird. Elmsford (N.Y.): Pergamon Press, 1982, 256 pp. $29.50.

The authors have done a service in ploughing through the vast quantity of writing by Soviet analysts and theorists on the so-called scientific and technological revolution. The reader may risk drowning, but the subject has inherent interest in the light it throws on such concepts as the general capitalist crisis, détente, the international division of labor, and the correlation of forces, which are directly related to Soviet foreign policy. The book shows that Soviet thought in this field is not monolithic; there are differences of view and of emphasis which highlight basic choices, some not yet made, for the leadership.

THE ISLAMIC THREAT TO THE SOVIET STATE. By Alexandre Bennigsen and Marie Broxup. New York: St.Martin's, 1983, 170 pp. $27.50.

Alexandre Bennigsen is probably the West's foremost expert on the Muslims of the U.S.S.R. He and his co-author have distilled years of study into a short

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The Middle East and North Africa

John C. Campbell

PALESTINE AND THE GREAT POWERS, 1945–1948. By Michael J. Cohen. Princeton: Princeton University Press, 1982, 417 pp. $35.00.

In a masterly work of historical scholarship Michael Cohen brings to life the tangled international diplomacy, mainly between Great Britain and the United States, which accompanied the last years of the Palestine Mandate and the birth of Israel. The story itself is not so different in its general lines from that told in the earlier books of J. C. Hurewitz, Christopher Sykes and others, but Cohen has found much new material in recently opened archives in London, Washington and Israel. He concedes that his treatment of the Arab side is limited, but finds that justified by the relatively marginal role played by the Arabs in these events.

THE PEACE BROKERS: MEDIATORS IN THE ARAB-ISRAELI CONFLICT, 1948–1979. By Saadia Touval. Princeton: Princeton University Press, 1982, 377 pp. $30.00 (paper, $11.50).

Many books have described the Arab-Israeli conflict and the attempts to settle it by negotiation. This is a splendid example, with the added merit of looking pointedly at the mediation process involving third parties, principally the United States but also the United Nations and others. For the theory and practice of mediation the book is a rich resource.

ISRAELI DEMOCRACY: THE MIDDLE OF THE JOURNEY. By Daniel Shimshoni. New York: Free Press, 1982, 543 pp. $34.95.

A formidable exercise in description and analysis of the body politic of Israel over its first three decades (to the election of 1977). The treatment is topical—constitutional system, political integration, "the nation in arms," political economy, etc.—but in dealing with those topics the author manages to give the country's chronological history as well. A book marked both by fascinating detail and by quiet wisdom, worth careful attention for an understanding of Israel's past and of its future.

THE LONGEST WAR: ISRAEL IN LEBANON. By Jacobo Timerman. New York: Knopf, 1982, 167 pp. $11.95.

World famous because of his awful experience of persecution in Argentina, Timerman now speaks out as a citizen of Israel against "Sharon's war" and what it has done not only to Lebanese and Palestininan civilians but to the integrity and the soul of Israel. This is a violent polemic—it calls the Prime Minister unbalanced, a terrorist and a fascist—and has earned its author much criticism in Israel, but it deals with issues of crucial significance to the country's future.

THE UNITED STATES AND IRAN: THE PATTERNS OF INFLUENCE. By R. K. Ramazani. New York: Praeger, 1982, 179 pp. $23.95 (paper, $10.95).

The great merit of this book, the best yet on the subject despite its brevity, lies in its understanding of the domestic forces within Iran and their impact on foreign policy. The United States made its share of miscalculations and tactical mistakes, all described here, but the root cause of failure lay in the American position of responsibility without corresponding influence, largely the result of the Shah's efforts over the years to play the American card for his own domestic and international aims.

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populated Siberia. At a time when a Sino-Soviet détente is in the making, this book implies that, over the longer run, such a détente can be only tactical in nature.

U.S.-JAPAN RELATIONS IN THE 1980's: TOWARDS BURDEN SHARING. Annual Report 1981–82 of the Program on U.S.-Japan Relations. Cambridge: Center for International Affairs, Harvard University, 1982, 181 pp.
JAPANESE INDUSTRIAL DEVELOPMENT POLICIES IN THE 1980s. By Jimmy W. Wheeler, Merit E. Janow and Thomas Pepper. Croton-on-Hudson (N.Y.): Hudson Institute (for the U.S. Department of State), 1982, 216 pp.
JAPANESE AND U.S. POLICY IN ASIA. Edited by Gaston J. Sigur and Young C. Kim. New York: Praeger, 1982, 199 pp.

According to Ambassador Mike Mansfield, 1983 will be the worst year in U.S.-Japanese relations since the end of World War II. These three books offer some perspective on the defense and trade issues that threaten the relationship. The Harvard volume is the second annual report on U.S.-Japan relations which the Center for International Affairs plans to issue every year. The analyses of the complex issues afflicting the bilateral relationship are generally good, and a few of the Japanese and American contributors offer sound suggestions on how to bridge the gaps. The Hudson Institute report offers a number of measures "designed mainly to improve U.S. competitiveness, combined with steady, low-key pressures on remaining Japanese trade barriers," and it warns against protectionist actions that would "shoot ourselves in the foot." The Sigur-Kim volume has a number of strong essays, including Sigur's overview of U.S.-Japanese relations and Kim's study of the Japanese elite's perception of defense issues.

THE JAPANESE MIND: THE GOLIATH EXPLAINED. By Robert C. Christopher. New York: Linden Press/Simon and Schuster, 1983, 344 pp. $16.50.

This is a superb book, with the insight and wisdom of nearly 40 years of thoughtful study and first-hand experience. It combines personal vignettes with a sympathetic, objective and up-to-the-minute grasp of virtually every aspect of Japanese society, as well as of the practical policy issues that now make the U.S.-Japan relationship at once vital and sensitive to possible change. The last chapter is particularly outstanding, but the whole deserves careful reading not only by Americans but perhaps particularly by Europeans. Into the bargain, the author writes with admirable clarity and simplicity of expression.

W.P.B.

NORTHEAST ASIAN SECURITY AFTER VIETNAM. Edited by Martin E. Weinstein. Champaign: University of Illinois Press, 1982, 182 pp. $17.50.

In this volume, two Japanese analysts, Masataka Kosaka and Makoto Momoi, reach different conclusions on the seriousness of the Soviet threat. Kosaka takes the more relaxed view, while Momoi warns that the Soviets already have a military advantage in the Western Pacific.

ECONOMIC, POLITICAL, AND SECURITY ISSUES IN SOUTHEAST ASIA IN THE 1980s. Edited by Robert A. Scalapino and Jusuf Wanadi. Berkeley: Institute of East Asian Studies, University of California, 1982, 230 pp. $10.00 (paper).

ASEAN has been one of the most successful organizations in the history of Southeast Asia. Few Western observers would have anticipated this when Saigon

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THE STRUGGLE FOR AFRICA: CONFLICT OF THE GREAT POWERS. By Gerard Chaliand. New York: St. Martin's, 1982, 121 pp. $16.95.

A well-known French journalist and specialist on guerrilla insurgencies takes on Africa. Surveying the continent's crises (most saliently the Horn, which he covered in the late 1970s), he theorizes about the Soviet Union's indirect strategy of gaining access by "filling vacuums." Though scanty on specifics and decidedly dated (the original edition was published in French in 1980), the book provides an interesting European perspective on America's dilemmas in Africa (perhaps more in tune with 1980 than now), suggesting that with excessive reliance on the nuclear umbrella the United States has "forgotten how to wield traditional weapons."

THE STRUGGLE OVER ERITREA, 1962–1978. By Haggai Erlich. Stanford: Hoover, 1982, 155 pp. $9.95 (paper).

An Israeli historian and specialist on Eritrea asserts that the Eritrean separatist movements effectively lost their struggle with Ethiopia in 1977–1978 when their own internal feuding, aggravated by ideological differences, prevented them from moving decisively while the Ethiopian army was occupied in the Ogaden. According to the author, most Arab aid to Eritrean insurgents also dwindled after 1978 as a consequence of the heavily Marxist orientation of the dominant EPLF liberation group.

INDIGENIZATION AND ECONOMIC DEVELOPMENT: THE NIGERIAN EXPERIENCE. By Nicholas Balabkins. Greenwich (Conn.): Jai Press, 1982, 325 pp. $40.00

In this account of Nigeria's indigenization program, Nigeria's evolution into a one-product export economy—accompanied by a decline in agriculture and little industrial growth—happened at the same time that Nigerians assumed ownership in basic economic sectors. Deeply pessimistic about the ability of Nigeria's "anarchic" polity to translate the short-lived oil bonanza into real economic development, the author takes refuge in what seems a prescriptive flight of fancy, suggesting that the country should utilize its oil wealth in a forced-march modernization program run by expatriates under stern military rule—then return to laissez-faire!

EDUCATION, RACE, AND SOCIAL CHANGE IN SOUTH AFRICA. By John A. Marcum. Berkeley: University of California Press, 1982, 251 pp. $25.00.

The author's 70-page introduction to this collection of documents about black higher education in South Africa strikingly evokes both the dynamic and the regressive forces working upon and within the separately developing South African university system. Relating the personal experience of a USSALEP (U.S.-South Africa Leadership Exchange Program)-sponsored team of U.S. educators in South Africa, Marcum conveys both the urgency of South Africa's need to develop skilled black manpower and the bureaucratic, fiscal and ideological obstacles to meeting it. The book makes it clear, however, that, through sheer increase in mass, the growth of black higher education opens possibilities of sweeping changes in South Africa.

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